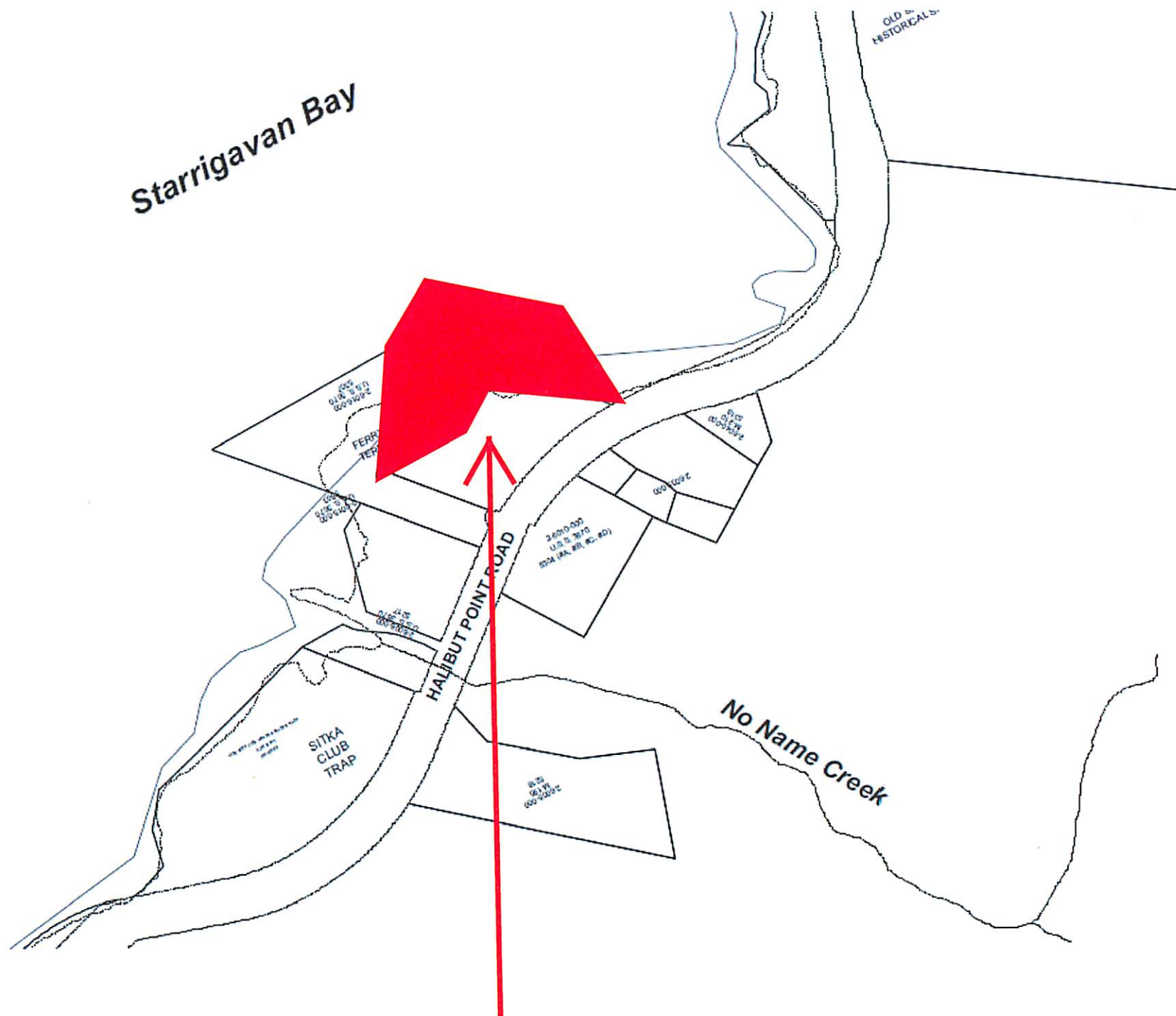


Starrigavan Bay



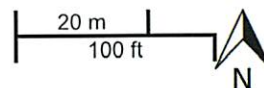




City & Borough of Sitka, Alaska

Selected Parcel: 5309 HALIBUT POINT ID: 26025000

Printed 7/5/2017 from <http://www.mainstreetmaps.com/ak/sitka/internal.asp>



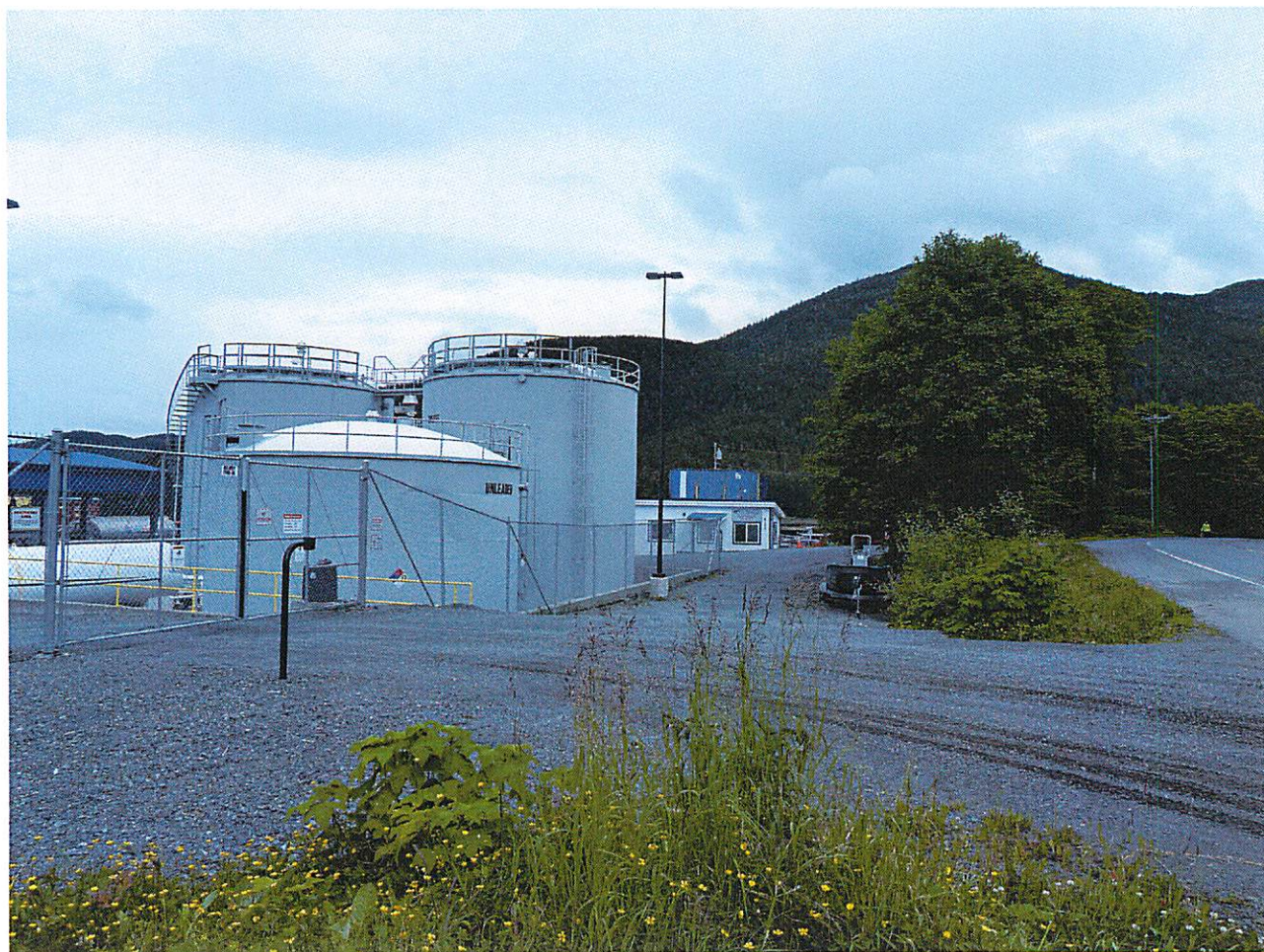
This map is for informational purposes only. It is not for appraisal of, description of, or conveyance of land. The City & Borough of Sitka, Alaska and MainStreetGIS, LLC assume no legal responsibility for the information contained herein.











CERTIFICATE OF OWNERSHIP AND DEDICATION

I, the undersigned, hereby certify that I am the owner, devisee of mine, land and water and that the State of Alaska is the owner of the land, as shown hereon. I hereby approve this survey and plat for the State of Alaska and reserve for public use of the State all unoccupied public utility areas and rights-of-way as shown and described hereon.

DATE: 7/6/65

John Russell
OWNER

NOTARY'S ACKNOWLEDGMENT

SUBSCRIBER AND SWORN BEFORE ME THIS 27th DAY OF July, 1965, at SITKA, ALASKA.

John Russell
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 1-1-71

APPLICANT CERTIFICATE

I, the undersigned, hereby certify that the City and Borough of SITKA is the applicant as shown hereon and that the Municipal Administrator is authorized to hereby approve the survey and plat.

AL NO. 2462, UNDER THE AND MICE COMPANY, INC.

DATE: 7-24-65

George Bagger, President
Municipal Administrator

NOTARY'S ACKNOWLEDGMENT

SUBSCRIBER AND SWORN BEFORE ME THIS 24th DAY OF August, 1965, at SITKA, ALASKA.

George Bagger
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 1-1-71

LESSOR CERTIFICATE

I, the undersigned, hereby certify that I am the applicant as shown hereon. I hereby approve this survey and plat.

AL NO. 2462, UNDER THE AND MICE COMPANY, INC.

DATE: 7-24-65

George Bagger, President
Municipal Administrator

NOTARY'S ACKNOWLEDGMENT

SUBSCRIBER AND SWORN BEFORE ME THIS 24th DAY OF August, 1965, at SITKA, ALASKA.

George Bagger
NOTARY PUBLIC FOR ALASKA
MY COMMISSION EXPIRES 1-1-71

CERTIFICATE OF APPROVAL BY THE BOARD

I hereby certify that the survey plat shown hereon has been found to comply with the regulations of the City and Borough of SITKA, ALASKA, and that said plat has been approved by the Board for recording in the office of the SITKA RECORDER, SITKA, ALASKA.

DATE: 7/6/65

John Russell
Recorder

SURVEYOR'S CERTIFICATE

I hereby certify that I am a properly registered and licensed to practice land surveying in the State of Alaska, that this plat represents a survey made by me or under my direct supervision, that the monuments shown hereon actually exist as described, and that all dimensions and other details are correct.

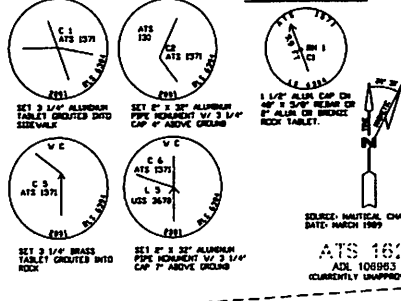
DATE: 7/6/65

John Russell
REGISTERED LAND SURVEYOR

PLAT NOTES

1. THIS SURVEY WAS ACCOMPANIED BY RECORDS WITH AS BEARINGS AND ATS 1571.
2. ALL BEARINGS SHOWN ARE THE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL DISTANCES.
3. RECORDS BEARINGS AND DISTANCES, WHERE DIFFERENT THAN MEASURED OR CALCULATED, ARE SHOWN IN PARENTHESES.
4. THE ACCURACY OF THIS SURVEY IS GREATER THAN 1:1000.
5. MEAN HIGH TIDE WAS DETERMINED FROM THE FLOOD DISTANCE RATE MAP, PAPER NO. 1, 1965, IN POWER POLE NO. 300 2340, WITH PUBLISHED ELEV. OF 100 FT. THIS WAS CORRECTED BY TIDE OBSERVATIONS ON JULY 15, 1965.
6. RECORDS SHOW OF WAY ALONGSIDE FROM U.S. SURVEY 3670 CORAL.

MONUMENTS SET THIS SURVEY TYPICAL REFERENCE MONUMENT



ATS 1571
ADN 02485

ATS 130
OWNED STATE OF ALASKA

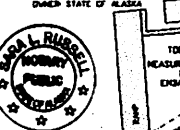


TABLE OF ACCESSORIES

MONUMENT ACCESSORIES SET THIS SURVEY	DESCRIPTION	BEARING	DISTANCE
C 1 ATS 1571	REF. MONUMENT 1 ALUMINUM TABLET ON SIDEWALK	N 36°37'30" W	9.9'
	REF. MONUMENT 2 ALUMINUM TABLET ON SIDEWALK	S 33°42'30" W	9.4'
C 2 ATS 1571	REF. MONUMENT 1 REBAR AND CAP	S 36°37'30" E	18.0'
	REF. MONUMENT 2 ALUMINUM TABLET ON SIDEWALK	S 33°42'30" W	9.4'
VC C 3 ATS 1571	REF. MONUMENT 1 BRASS TABLET ON ROCK	N 36°37'30" E	12.8'
	REF. MONUMENT 2 REBAR AND CAP	S 33°42'30" W	15.7'
VC C 4 ATS 1571	REF. MONUMENT 1 REBAR AND CAP	N 36°37'30" E	13.0'
	REF. MONUMENT 2 REBAR AND CAP	N 36°37'30" E	9.0'

PLAT NOTES

1. THIS SURVEY WAS ACCOMPANIED BY RECORDS WITH AS BEARINGS AND ATS 1571.
2. ALL BEARINGS SHOWN ARE THE TRUE BEARINGS AS ORIENTED TO THE BASIS OF BEARINGS AND DISTANCES SHOWN ARE REDUCED TO HORIZONTAL DISTANCES.
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6. RECORDS SHOW OF WAY ALONGSIDE FROM U.S. SURVEY 3670 CORAL.

BASE OF BEARINGS

USDA 1571-1942
LAT. 57°47'30" N
LONG. 157°47'30" W
MAY 1967

STARRICAVAN BAY

CONCRETE FLOAT

SHEET METAL CASSON

ATS 1571
ADN 02485

PORTION LOT 5
OWNED SARGON TUG AND BARGE

USS 3670

PORT LOT 4
OWNED STATE OF ALASKA
ALASKA MARINE HIGHWAY STATION

TRACT A-1
USS 3670
TRACTS A & B
LOT LINE ADJUSTMENT

POINT

ROAD

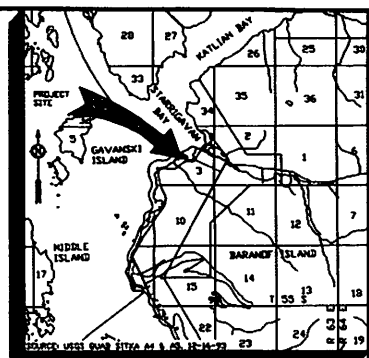
MEASURED HWY ON FILL ENHANCEMENT

MEASURED TIDE OF FILL

CE ATS 1571

N 36°37'30" W 29.46'

CE ATS 1571



LEGEND

- ⊕ OLD/NEW PERMANENT MONUMENT RECOVERED
 - ⊕ PERMANENT MONUMENT RECOVERED
 - SECONDARY MONUMENT RECOVERED
 - ⊕ PERMANENT TIDELAND SURVEY MONUMENT SET
 - SURVEYED LINES
 - UNOCCUPIED TIDELANDS
 - UPLANDS STRUCTURE
 - ⊕ POWER POLE
 - ⊕ WITH FIRE HYDRANT
 - ⊕ LIGHT POLE
- DATE: 7-6-65
TIME: 11:00 AM
PREPARED BY: J. R. RUSSELL

TIDAL INFORMATION

HEIGHT REFERRED TO	DATE OF OBSERVATION	MEAN WATER	HIGH WATER	LOW WATER	EXTREME HIGH WATER	EXTREME LOW WATER
FEET						
1955		1.5	1.5	1.5	1.5	1.5
1965		1.5	1.5	1.5	1.5	1.5
1975		1.5	1.5	1.5	1.5	1.5

SOURCE: NOAA CHART 17326 "CRAVFIN DALET TO SITKA"
13TH EDITION, AUGUST 1958

SCALE IN METERS

1 METER = 3.28084 US SURVEY FEET
1 US ACRE = 0.4047 HECTARE

SCALE IN FEET

1 METER = 3.28084 US SURVEY FEET
1 US ACRE = 0.4047 HECTARE

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE AND WATER
ANCHORAGE, ALASKA

ALASKA TIDELAND SURVEY NO. 1571

WITHIN PROTRACTED SECTION 3
T. 55 S., R. 63 E., COPPER RIVER MERIDIAN, ALASKA
SITKA RECORDING DISTRICT

DATE OF SURVEY: 7/6/65
DRAWN BY: J. R. RUSSELL
CHECKED BY: J. R. RUSSELL

FILE NO.: ATS 1571



CITY AND BOROUGH OF SITKA

PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT LAND MANAGEMENT APPLICATION FORM

1. Review guidelines and procedural information.
2. Fill form out completely. No request will be considered without a completed form.
3. Submit all supporting documents and proof of payment.

APPLICATION FOR:

☒ TIDELAND

☒ LEASE

☐ LAND

☐ PURCHASE

BRIEF DESCRIPTION OF REQUEST: Renewal of Tideland lease
No. ADL 02683 / City and Borough of Sitka Tideland
lease ATS 1571

PROPERTY INFORMATION:

CURRENT ZONING: waterfront ARE YOU THE UPLAND PROPERTY OWNER? yes

CURRENT LAND USE(S): Marine Transportation PROPOSED LAND USES (if changing): _____

APPLICANT INFORMATION:

PROPERTY OWNER: Samson Tug & Barge Co. Inc

PROPERTY OWNER ADDRESS: 329 Harbor Drive, Sitka, Alaska 99835

STREET ADDRESS OF PROPERTY: 5311 Halibut Pt. Road.

APPLICANT'S NAME: Samson Tug & Barge Co., Inc.

MAILING ADDRESS: P.O. Box 559, Sitka, Alaska 99835

EMAIL ADDRESS: roslyn.dailey@samson-tug.com DAYTIME PHONE: 747-8559
roycelawoffice@gmail.com

PROPERTY LEGAL DESCRIPTION:

TAX ID: _____ LOT: _____ BLOCK: _____ TRACT: _____

SUBDIVISION: _____ US SURVEY: _____

OFFICE USE ONLY

COMPLETED APPLICATION		SITE PLAN	
NARRATIVE		CURRENT PLAT	
FEE		OWNERSHIP	

REQUIRED SUPPLEMENTAL INFORMATION:

- ☒ Completed application form
- ☒ Narrative
- ☐ Site Plan showing all existing and proposed structures with dimensions and location of utilities
- ☒ Proof of filing fee payment *\$300.00*
- ☒ Proof of ownership (If claiming upland preference) *See Property Tax Statement.*
- ☒ Copy of current plat

CERTIFICATION:

I hereby certify that I desire a planning action in conformance with Sitka General Code and hereby state that all of the above statements are true. I certify that this application meets SCG requirements to the best of my knowledge, belief, and professional ability. I acknowledge that payment of the review fee is non-refundable, is to cover costs associated with the processing of this application, and does not ensure approval of the request. I understand that public notice will be mailed to neighboring property owners and published in the Daily Sitka Sentinel. I further authorize municipal staff to access the property to conduct site visits as necessary.

Justin S. Mackin
Applicant

6-19-17
Date

Narrative re: renewal of tidelands lease.

Samson Tug & Barge Co. Inc. is Lessee and the City & Borough of Sitka is Lessor under a 55-year tidelands lease entered in 1962 which will expire August 13, 2017 (attached as Exhibit A).¹

Samson Tug & Barge Co. Inc. is also owner of uplands adjacent to the leased tidelands and operates a commercial port which includes a floating dock, ramps, utilities, and other facilities at the site. Samson has leased a portion of its uplands to Delta Western which has located a fuel tank farm and truck rack on this site with fuel supplied from barges over Samson's floating dock. The Delta Western lease is for a term of 30 years expiring April 30, 2042, followed by six (6) options to renew for periods of five (5) year renewal terms. Should Delta Western exercise all options to renew it would have the right to occupy the leased uplands until April 30, 2072. The Delta Western lease provides that the six options to renew are automatically deemed exercised unless Delta Western gives notice in writing that it does not wish to exercise its right to renewal.

Samson's tidelands lease provides it may be renewed on expiration (August 13, 2017). The renewal terms (clauses 22 and 23 of the tidelands lease) provide that Samson may exercise its right to renew by written notice directed to Lessor "within 30 days before the expiration of the lease". While a literal interpretation of this clause may require Samson to direct its written notice after July 12, 2017 and before August 13, 2017, Samson is giving written notice to Lessor in this application for renewal and will give an additional notice in writing "within 30 days before the expiration of the lease" to satisfy any technical requirements.

Samson has invested substantial sums in improvements of the leased tidelands and adjacent uplands which are essential for its marine transportation business. Delta Western has likewise invested substantial sums in improvements related to its tank farm and fuel operations. The original tidelands lease is silent on the term of renewal which suggests that a true renewal would be just that: renewal of the 55-year lease for an additional term of 55 years.

The present municipal code Section 18.16.210 B states that the term of certain tidelands leases shall be thirty years "unless otherwise determined by the assembly". Samson proposes that the parties agree on a term of fifty-five (55) years for this renewal of its tidelands lease. This would provide a tidelands lease which will expire on August 13, 2072, some three months after the last Delta Western renewal term.

The annual lease payments per the same ordinance are set at 4.5% of a price normally established at auction. In the present circumstance of renewal pursuant to rights contained in the original tidelands lease the Lessee proposes to work with the Lessor to negotiate in good faith the price which is to be used in calculating annual lease payments.

¹ The original Lessor was Alaska Division of Lands and the original Lessee was Alaska Lumber & Pulp. Co. Samson as Lessee and the City as Lessor have obtained their respective status through assignment of the original lease.

William G. Royce
Attorney at Law

310 K Street
Suite 200
Anchorage, Alaska 99501

Telephone: (907) 495-1000
Facsimile (907) 278-0877
roycelawoffice@gmail.com

June 13, 2017

Mr. Brian Hanson
Municipal Attorney
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

Hand Delivered and E-mailed

Re: Samson Tug & Barge Tideland Lease

Dear Brian,

It was good to meet with you last Friday to briefly talk about Samson Tug's application to renew its tideland lease at old Sitka. As we discussed the existing lease was originally between the State of Alaska, Department of Natural Resources, Division of Lands as Lessor and Alaska Lumber & Pulp Co., Inc. as the original Lessee. I have gathered copies of the principal documents and attach the same as (A) through (E) below.

The original 55-year lease runs from August 13, 1962 through August 13, 2017. This lease (Exhibit A) provides Lessee with a right to renew at paragraphs 22 and 23. It appears that this right to renew may be exercised in writing any time before 30 days before the lease expires. The clause discussing the right to renew references a Form DL-74 and provides that renewal must comply with various rules and regulations of the State of Alaska. The parties modified the provisions for setting rent in 1979 (Exhibit B).

The City and Borough of Sitka first came into the chain of title on this leased parcel in 1982 when Alaska Lumber & Pulp assigned its Lessee's rights to the City (Exhibit C). Sitka subsequently assigned its Lessee's rights to Samson Tug & Barge in 1994 (Exhibit D). Finally, in 1997 the State of Alaska gave notice that it had transferred its Lessor's rights to the City and Borough of Sitka (Exhibit E).

Accordingly, under the original lease the City and Borough of Sitka (Lessor through assignment) and Samson Tug (Lessee through assignment) each have obligations and rights. Samson has a right to renew its lease, however some of the State of Alaska procedures may no longer apply as the State of Alaska has transferred its Lessor's rights to the City and Borough of Sitka.

The City has a separate procedure for lease of tidelands which does not appear to contemplate the present situation where an existing lease has specific renewal rights and obligations.

One related issue is that Samson Tug has leased a portion of its owned upland (adjacent to the leased tidelands) to Delta Western which has constructed and now operates a fuel tank farm on that site. The Delta Western lease is dependent on the continuation of the Samson Tug tidelands lease as Delta Western's operation and its lease from Samson Tug requires access to Samson's port facilities and piping operating on or over leased tidelands to receive its fuel from barges. The Delta Western lease was entered in 2013 and runs for an initial term of 30 years followed by six 5-year renewal options, which are deemed automatically exercised unless Delta Western gives advance notice that it desires to terminate. . I have previously provided you with the provisions of the Delta Western lease which concern term of lease and renewals and attach those provisions again here as Exhibit F.

Samson Tug's existing tideland lease runs until August 13, 2017. Samson requests a 55-year renewal of its lease which would extend the term to August 13, 2072. This term allows Delta Western to utilize its full lease term and extensions which would expire April 30, 2072. As I shared in our meeting Samson Tug wants to make the renewal process as simple and fair as possible. The existing lease contemplates that the Lessee exercise the renewal right by simply giving timely notice and depositing 50% of the current annual rental ("not to exceed the sum of \$50.00"). There is a rent adjustment process set out in Exhibit B which can occur at 25 years and 10 year intervals. I recently checked with the Alaska Division of Lands and have confirmed that it presently processes renewals with a maximum term of 55 years. See the present State Application form (Exhibit G).

To get the renewal process started Samson Tug is submitting, together with this letter, a completed City and Borough of Sitka Land Management Application Form. Samson Tug proposes that it work with the City and Borough of Sitka to determine the value of the parcel as the tideland lease is renewed. That value, once agreed, can be used to develop the rental in accordance with the Code provisions. The Code provides that normal terms are to 30-years but that the Assembly may adopt a different term. Samson Tug requests that the term be 55 years for the reasons discussed above. Samson's Sitka management is ready to exchange information and work with the City to promptly develop a fair and reasonable value for the parcel. I am happy to discuss any of the unusual features of this notice of renewal and modifications to help make the process more closely fit the needs of both the Lessor and Lessee.

Very truly yours


William G. Royce

recommendations from the Stroudwater report. Bean stated by approving the appropriation it would help with the sustainability of the Hospital. If the Assembly continued with the RFP process, the modular would be considered as an asset. Hunter empathized with the employees and the public who had been shaken by the recent conversations of the future of the Hospital. He noted the financial instability of the Hospital had been a topic of discussion since his first year on the Assembly. He believed the Hospital needed to be on secure financial footing and looked forward to explored the possible options. In the short-term, he stated the Hospital must remain viable and wished to ensure the Hospital could operate successfully.

A motion was made by Swanson that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

F ORD 17-26

Amending Sitka General Code Chapter 4.28 "Investment Policy" by adding a new Section 4.28.045 entitled "External Investment Management"

Guevin thanked staff and the Investment Committee members for their work.

Jay Sweeney, Chief Finance and Administrative Officer, stated the intent was to issue a RFP for the management of funds, every five years.

A motion was made by Swanson that this Ordinance be APPROVED on SECOND AND FINAL READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

XII. NEW BUSINESS:

New Business First Reading

G ORD 17-29S

Adjusting the FY18 Budget (*Sitka Airport Terminal Improvements Project*)

Richard Wein wondered of Delta Airlines commitment to remaining in Sitka and suggested TSA be asked to help with funding. Kathy Matthews, Station Manager for Alaska Seaplanes, spoke to the short and long-term needs of Alaska Seaplanes.

Knox noted there were many efficiencies to be realized with the project. While he believed it was a necessity, he wondered if it was a short-term fix, that may not last long-term. Guevin reminded with Assembly approval the project could move forward to the 65% design phase. In addition, he reminded project funding was from the passenger facility charges. Bean relayed staff had reached out to Delta Airlines and they were committed to Sitka during the summer months.

A motion was made by Knox that this Ordinance be APPROVED on FIRST READING. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

Additional New Business Items

H 17-137

Approve a month-to-month lease between the City and Borough of Sitka and Samson Tug and Barge Company for tidelands adjacent 5309 Halibut Point Road

Michael Scarcelli, Planning Director, stated Samson Tug and Barge Company had requested a short-term lease renewal. Their current lease expired August 13, 2017 and a month-to-month lease was recommended to facilitate continued operations allowing time for a long-term lease to be drafted within the next 30 to 60 days.

Municipal Attorney, Brian Hanson, offered the current lease in place was a State lease assigned to the City decades ago and needed additional terms added. He suggested the following Recitals be added to the month-to-month lease: 1) the Lessee desires to renew its existing lease for a term of 55 years and the Sitka Planning Commission has recommended approval of such renewal on a 4-0 vote, and, 2) whereas the existing tidelands lease expires August 13, 2017, making it necessary and appropriate to enter a month-to-month lease while the parties negotiate the terms of the renewed lease.

A motion was made by Swanson that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, Knox, and Bean

I **17-138**

Approve the renewal of a Standard Marijuana Cultivation Facility license for Green Leaf, Inc. dba Green Leaf at 4614 Halibut Point Road C-2, C-3

Assembly member Bean recused himself.

Guevin restated the fiscal note included in the packet: In the 14 months that marijuana businesses have been licensed in Sitka, all of the operations have generated sales totaling \$813,772.08 and have remitted local sales tax totaling \$35,711.51.

A motion was made by Knox that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 6 - Swanson, Eisenbeisz, Guevin, Potrzuski, Hunter, and Knox

Recused: 1 - Bean

XIII. PERSONS TO BE HEARD:

Richard Wein spoke to the finances of Sitka Community Hospital and recent news coverage of the Hospital being in the black. He obtained the fiscal year end report and had reviewed the past year financials. Wein believed the vast majority of the \$1.4 million was not out of Hospital operations but instead a one time payment from Medicare. He encouraged the Assembly to examine the details.

Assembly members recognized Guevin for his years of service and noted it was Guevin's final regular meeting, in-person, as he was moving. He would attend September meetings telephonically. Guevin stated it had been a pleasure to serve the community.

XIV. EXECUTIVE SESSION

None.

XV. ADJOURNMENT

A motion was made by Swanson to ADJOURN. Hearing no objections, the meeting ADJOURNED at 7:52pm.

VII. THE EVENING BUSINESS

- D** LM 17-03 Public hearing and consideration of a tideland lease renewal request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

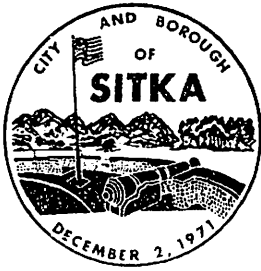
Scarcelli stated that the Planning Commission has important insight to provide into land use decisions. Scarcelli reviewed Samson Tug and Barge's request for tideland lease renewal. The final decision will be made by the Assembly. Scarcelli recommends that the Planning Commission recommend approval of the lease request subject to including the conditional use permit conditions of approval in the lease. Scarcelli stated that the current annual payment is \$11,144, and the new annual payment would be approximately \$25,000. As the lease expires in August, a month-to-month lease may be necessary until a long-term lease can be drafted to the agreement of both parties. Staff are in support of the lease renewal with a 55-year lease term. Spivey asked if the commission could make a recommendation to vary from the 4.5% lease calculation, and Scarcelli stated no because it is prescribed in code. Spivey stated concern that the lease amount would approximately double. Scarcelli stated that the original lease was to be adjusted every 5 years based on the land and improvements and later that requirement was amended; however, the lease payment has historically been only based on the land value and the existing lease payment was probably below what the lease required. Windsor stated that now is the time to clean this up.

Roslyn McKinnon, CFO of Samson Tug and Barge and Markos Scherr represented the item. Scherr stated that Samson does not object to the valuation or 4.5% lease rate. Scherr stated that Samson is amenable to a monthly lease but would like to get a long-term lease executed as soon as possible. Scarcelli asked if the monthly lease would impact their security interests. Scherr stated that a long-term lease to be executed in one to six months would not impact the applicant. Scarcelli noted DEC regulations for fuel storage tanks.

No public comment.

Windsor/Parmelee moved to RECOMMEND approval of the lease renewal including a month to month and long-term lease request for 5309 Halibut Point Road subject to the condition that the conditions of approval for the bulk fuel facility conditional use permit are included in the lease. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka. Motion PASSED 4-0.

- E** MISC 17-16 Discussion and direction regarding amendments to public notice requirements and Sitka General Code 22.30.



City and Borough of Sitka

100 Lincoln Street Sitka, Alaska 99835

Coast Guard City, USA

October 8, 2013

Delta Western
420 L Street, Ste 101
Anchorage, AK 99501

COPY

Dear Mr. Payne,

This letter is to officially inform you the Sitka Assembly approved your request for a bulk fuel facility at 5309 Halibut Point Road. This approval was granted at the October 8, 2013 meeting with the following conditions:

1. The project be completed in conformance with the plans submitted in the conditional use application to the Planning Commission;
2. Prior to the activation of the conditional use permit, the operator of the facility shall certify to the Municipality, in writing, that all necessary permits have been received including but not limited to:
 - a. State of Alaska driveway permits for the configuration shown in the application;
 - b. All Alaska Department of Environmental Conservation permits;
 - c. State Fire Marshall approval;
 - d. City and Borough of Sitka Building permits;
 - e. Any other permits considered necessary by the Planning Department;
3. In addition, prior to the activation of the conditional use permit, the Planning Director shall indicate, in writing, that all permits have been received that the municipality considers necessary;
4. The applicant recognizes that other permits, not specifically mentioned by the municipality, may be required by state or federal agencies;
5. The applicant shall provide a narrative on the status of the operations nine months after the activation of the conditional use permit;
6. The Planning Commission has an annual review of the first nine to twelve months of operation of the facility within one year of the activation of the conditional use permit. The purpose of the annual review is to determine what, if any impacts of the operation need to

Providing for today ... preparing for tomorrow

- be mitigated. The Planning Commission, by its own motion, may undertake a second annual review if the board considers it to be necessary;
7. The Assembly, at its discretion, may complete an annual review if any issues are not satisfactorily resolved at the Planning Commission level.
 8. That the project will be completed in conformance to the plans submitted; and
 9. That the project be operated in conformance with the narrative;
 10. The applicant shall provide by September 27, 2013, a narrative that clarifies the request and includes; an updated timetable, list of the range of uses for the fuel facility, and amended to add that fuel distribution will be to a range of residential and commercial locations;
 11. The municipality recognizes the offices for the facility will be shared with Samson Tug and Barge, Inc. in a facility that is not shown on the site plan.

All work must be in general conformance with the plans that were approved by the Planning Commission and Assembly.

The permit must be activated within two years of the approval date or the permit becomes void. Following activation, if the permit is not used for a period of two years or longer, the permit becomes void.

We appreciate your patience throughout this process and thank you for working with us on this matter. If you should have any questions, please feel free to contact me at 747-1814.

Sincerely,

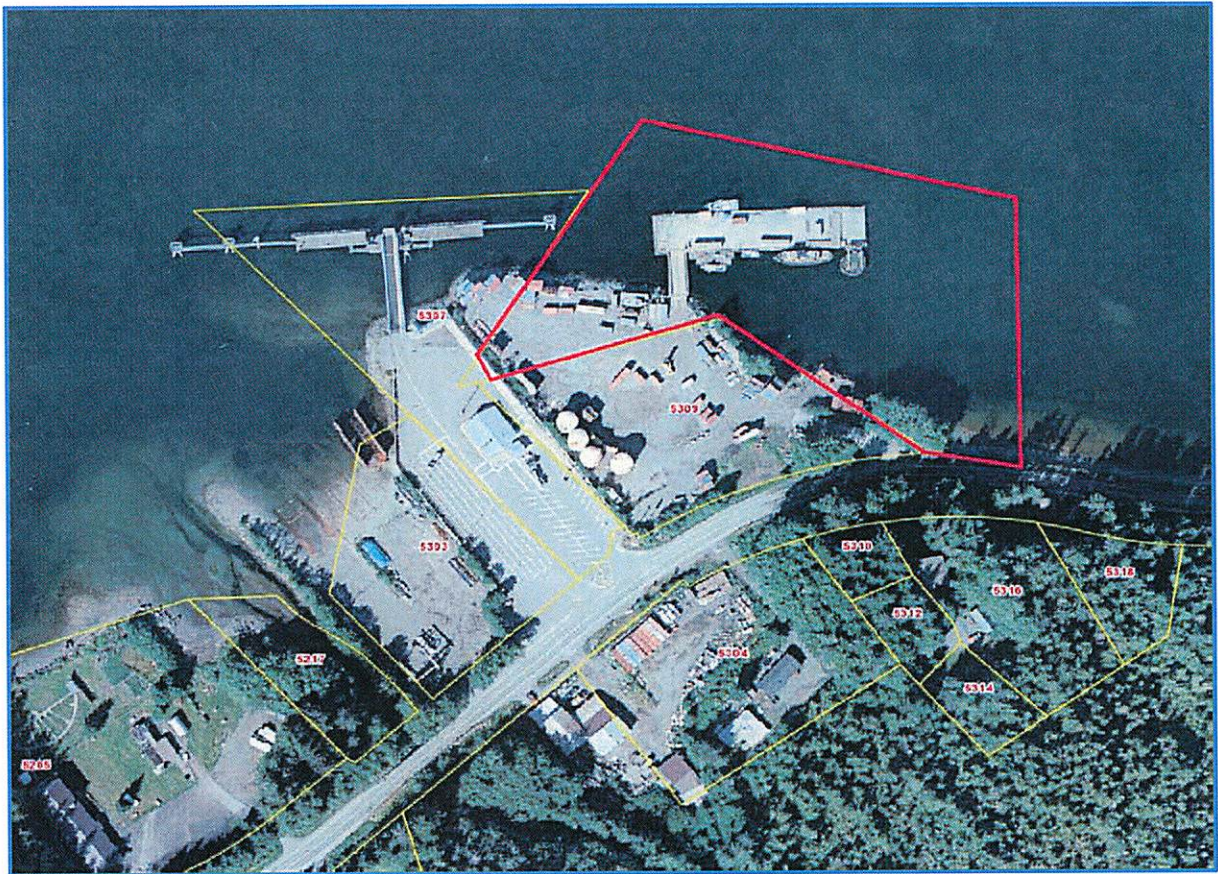


Maegan Bosak
Planner I



SUMMARY APPRAISAL REPORT

TIDELANDS: ATS 1571 – Adjacent to 5309/5311 Halibut Point Rd, Sitka Alaska, PID: 2-6025-002



Prepared For: City and Borough of Sitka Assembly
City and Borough of Sitka Planning & Community Development Department
Regarding Tideland Lease Application LM 17-03 Dated August 25, 2017

Prepared By: Wendy Lawrence, Assessing Director, City and Borough of Sitka
Effective Date: September 14, 2017
Report Date: September 15, 2017

Recommended Value Conclusion: Mass-appraisal land modeling for the Halibut Point Rd-North area yields a fee simple valuation of \$672,900 for this tideland parcel, which shall be the basis for the annual lease amount for this application. The applicable lease rate shall be determined the City and Borough of Sitka land management policies outlined within the Sitka General Code.

IDENTIFICATION OF THE PROBLEM:

Purpose of the Assignment: This report is submitted for the purposes of estimating full and true value for the identified parcel and was prepared under the reporting requirements of the Uniform Standards of Appraisal Practice (USPAP). A copy of the full report is on file and available upon request. Please note the Assumptions and Limiting Conditions which are incorporated into the report where applicable. Also noted if necessary are any departures from the USPAP requirements due to the need to adhere to the jurisdictional requirements of Alaska State Statute and Sitka General Code.

Definition of Value: According to the Sitka General Code, Title 4.12.040, full and true value is defined as: "Assessment of property at full and true value. Property shall be assessed at its full and true value in money, as of January 1st of the assessment year. In determining the full and true value of property in money, the person making the return or the assessor, as the case may be, shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which the property would sell at auction, or at a forced sale, either separately or in the aggregate with all of the property in the taxing district, but he shall value the property at such sum as he believes the same to be fairly worth in money at the time of assessment. (B.C.S. § 3.20.040.)" To the extent this definition conflicts with other industry definitions for full and true value, the appraiser claims a jurisdictional exception as allowed in USPAP.

Intended Use and Users, and Property Rights Appraised: The intended use of this report is to provide an estimate of full and true value in fee simple ownership for a lease application of city-owned property legally described as ATS 1571. Fee simple value is the valuation basis for annual lease payments of city-owned, leased parcels. The client is the City and Borough of Sitka Assembly, and the intended users are the Assembly and its assigns in the lease administration process. Use of this appraisal and its conclusions is limited to the administration of property taxes according to the governing laws of this jurisdiction.

Inspection and Effective Date: The real property described herein was inspected on September 14, 2017, for a 55 year renewal of the current tideland lease for this parcel. The effective date of this report is September 14, 2017.

Ostensible Owner and Sales History: According to the State Recorders' Office, the ostensible owner is the City and Borough of Sitka. The subject property was originally owned and leased by the state, and was deeded to the city in 1997 for continued lease purposes.

Property Description: The subject property legally noted as ATS 1571 consists of 4.52 acres (196,891sf) of a combination of filled/upland and submerged city-owned tidelands adjacent to 5309/5311 Halibut Point Rd. This leased parcel is located due north and directly adjacent to another filled tideland lot owned by the lease applicant, addressed as 5309/5311 Halibut Point Rd, operating as Samson Tug & Barge Company, Inc. This property has historically been industrial in use, and surrounding uses are public use and commercial. This leased tideland parcel provides key marine and land access for Samson's freight and barge business, as well as its sub-lessee, Delta Western (5311 HPR), which operates a bulk fuel storage facility onsite. Both Samson and Delta Western have invested substantially in long-term improvements the parcel. This leased parcel

contains lessee-owned improvements such as a ramp, concrete float and rock fill areas which are used for parking, staging, storage and dock access. These improvements were not considered in this valuation.

Tidelands within the City and Borough of Sitka are valued according to their classification and upland land-modeling. Upland and filled tidelands are valued according to the regular land modeling of the area, unfilled tidelands are general valued at 30-50% of the upland/filled value, and submerged tidelands are generally valued at 15-50% of the upland/filled value. This standard of valuation is used throughout Alaska for both fee- and mass-appraisal valuations, with price variances according to variances in upland/filled land values.

SCOPE OF WORK:

This valuation employs the cost and sales comparison approaches to value, with final reconciliation on the cost approach. The cost approach was completed for ad-valorem assessment purposes by using a mass-appraisal land model with improvements estimated on a cost-basis as necessary, and was supported by a sales comparison analysis. The scope of work included in this assignment is as follows:

- 1) Research, verify, and analyze data from reliable sources to determine comparable market data;
- 2) Valuation utilizing mass-appraisal land modeling, with a sales comparison approach submitted in support of this valuation method;
- 3) Report conclusion of final opinion of full and true value area in accordance with USPAP.

Mass-appraisal valuations are vastly different from fee-appraisal valuations in both scope of work and available sales data. Mass-appraisals utilize generalized land models in conjunction with parcel-specific land variables for valuation purposes, versus the more detailed, property-specific fee-appraisal analysis utilizing a three to five sales comparison sales grid. In addition, mass-appraisal does not enjoy the benefit of having all of the sales information that occurs in the market, as Alaska is a non-disclosure state in regard to the documentation of market sales. Therefore the sales dataset of a mass-appraisal valuation, is in no way comparable to the dataset available to the private fee appraisers in the state of Alaska, they simply have more sales and better sales information. To help overcome this limitation, land models are calibrated to hundreds of sales (instead of 3-5 sales), are supported by sales regression analysis and descriptive statistics at the 95% confidence interval.

In light of these differences it is noted that this land valuation was completed through the implementation of a standardized land modeling system based upon zoning classification and further stratified by market areas. Land models follow the basic power function form ($\text{Value} = Cx^P \cdot LQC$) and are used in this way not only to determine market value, but to ensure equity between parcels. Utilizing standardized land valuation models has been upheld as a best-practice across the nation for ad-valorem procedures and the resulting values are supported by the attached sales comparison analysis. The coefficients and variables used in this analysis have been outlined within the analysis attached for reference.

Any independent fee appraisal analysis submitted in appeal of this particular valuation shall be assumed to supersede this analysis, given its more detailed scope of work and superior sales dataset, provided it is completed by a certified appraiser and approved by the Assessor for this transaction.

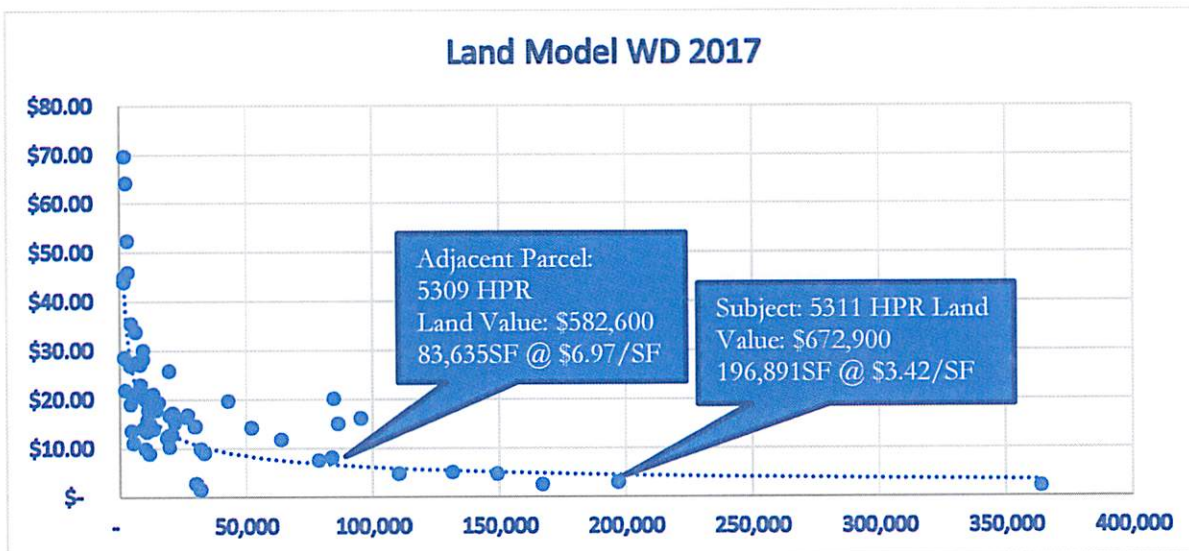
VALUATION:

Highest and Best Use:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of the use- that is adequately supported and results in the highest present value. (*The Dictionary of Real Estate Appraisal, 5th Ed., Appraisal Institute*) The highest and best use of this property was determined to be its current use as access for commercial freight and barge activities.

Cost Approach Utilizing Land Modeling – Waterfront District Zoned Property:

The subject parcel was valued on a price per square foot basis utilizing land modeling. The following land model represents the valuation curve for all 106 Waterfront District (WD) zoned land parcels within the city. The data points represent each parcel in square feet (x-values) and the corresponding assessed values per square foot (\$/sf y-values).




*Land Model Notes, Value=Assessed Value; C=Model Constant in relation to the land size (X); X=Land Size in square feet; P=Power Function Coefficient; LQC=Land Quality/Condition Variable accounting for property-specific land attributes. The WD 2017 Land Model Parameters are: C: 1195.1; P:-0.45; LQC(Up): 0.9565; LQC(Filled):0.4783; LQC(SUBMERGED):0.2391=\$672.900

The subject parcel, consisting of 196,891SF, is priced at \$3.42/sf and is a data point below the model curve due to the parcel's property-specific features, mainly the composition of mostly submerged tidelands. Parcels smaller in size, and those with a greater upland/filled percentage, will rank higher in square foot value in this model as evidenced by Samson's primary parcel (5309/5311 Halibut Point) which consists entirely of 83,635sf of filled tidelands. This is Samson's main parcel which provides road-to-marine access. This subject tideland parcel provides marine-to-land access and has water depths ranging from 60-160 feet, which makes this an ideal location for mid-line marine operations. The subject parcel is critical and incidental to Samson Tug and Barge's marine operations, as well as Delta Western's Bulk Fuel operations, and is valued as such at \$582,600 for Tax Year 2017.

Sales Comparison Approach:

The subject parcel was valued on a price per square foot basis utilizing the sales comparison approach with the following comparable sales grid provided here for additional support.



City and Borough of Sitka - Assessment Valuation

Parcel ID: 2-6025-002

Valuation Date: September 14, 2017

Land Sales Adjustment Grid										
Subject	Comparable No. 1		Comparable No. 2		Comparable No. 3		Comparable No. 4			
Parcel ID	2-6025-002		1-6845-000		1-6835-000		1-9022-000		1-9022-003	
Address	5311 Halibut Pt		485 Katlian		435 Katlian		415 Alice Loop		403 Alice Loop	
Proximity	NA		5.5 Miles SE		5.5 Miles SE		5.7 Miles SE		5.7 Miles SE	
Sale Price	NA		\$ 449,500		\$ 195,700		\$ 358,000		\$ 280,600	
Date of Sale	01/01/18	04/17/17	\$ -	09/25/14	\$ 7,100	04/22/15	\$ 10,800	04/23/15	\$ 8,500	
Terms of Sale	N/A	Normal	\$ -	Normal	\$ -	Normal	\$ -	Normal	\$ -	
Size	196,891	26,802	\$ 340,200	9,718	\$ 374,300	20,905	\$ 352,000	31,890	\$ 330,000	
Access	Water/Paved Rd	Similar	\$ -	Similar	\$ -	Paved Road	\$ 50,000	Paved Road	\$ 50,000	
Location	Halibut North	Central Bus Dist	\$ (100,000)	Central Bus Dist	\$ (100,000)	Japonski	\$ (50,000)	Japonski	\$ (50,000)	
View	Waterfront	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	
Utilities	City	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	
Zoning	WD	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	
Topography	Level	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	
Encroachments	None Known	Similar	\$ -	Similar	\$ -	Similar	\$ -	Similar	\$ -	
Restrictions	None Known	Similar	\$ -	Similar	\$ -	Similar	\$ -	Easements	\$ 60,000	
Other			\$ -		\$ -		\$ -		\$ -	
Net Adj.			\$ 240,200		\$ 281,400		\$ 362,800		\$ 398,500	
Indicated Value	\$ 672,900		\$ 689,700		\$ 477,100		\$ 720,800		\$ 679,100	
		Indicated Value Range		\$	477,100		to		\$	720,800

* Land Allocation from Improved Sale

Property Information: The subject property was inspected September 14, 2017 and was determined to consist of approximately 30% filled/uplands and 70% submerged tidelands. This parcel is directly adjacent to the applicant's marine freight and barge facility, which consists of 83,635sf of filled/upland classified tidelands.

Comparable Sales: All comparables bracket the subject as best possible given the available sales dataset. The indicated value range of adjusted comparable sales is \$477,100 to \$720,800 with Comparable No. 1 weighted most heavily. Comparables 1 & 2 are allocated land values from sales of WD developed parcels, are most similar to the subject in both utility and use; both have dual water/road access which is ideal for commercial operations. Ideally there were no larger WD sale parcels to bracket the subject in size, but parcels were adjusted for square foot differences at \$2.00/sf. Comparables 3 & 4 are WD zoned parcels from the Japonski Island area, and are inferior in access and size, but superior in location. Comparable 4 had restrictive easements at the time of sale, which were rectified immediately after purchase.

Adjustments: Square footage adjustments at \$2.00/sf; time adjusted @ 3%/yr; Access @ \$50,000; Location @ \$50,000-\$100,000

Valuation Recommendation: The indicated value for this parcel is \$672,900 and is well supported by the comparable sales and the attached WD zoned land model, from which this land valuation was derived. Samson's Tideland Lease Application dated August 25, 2017, for 196,891 square feet of ATS 1571 is therefore valued at \$672,900 fee simple for assessed valuation and thus City and Borough of Sitka lease application purposes.

VALUATION CONCLUSION:

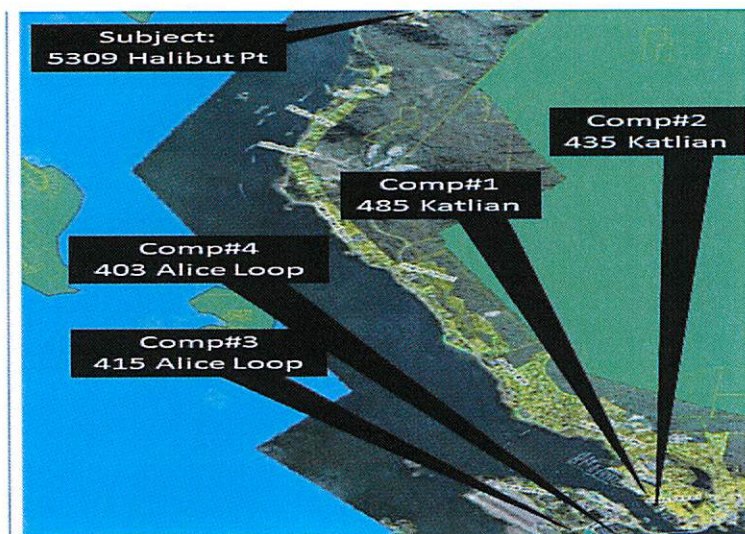
Mass-appraisal land modeling for the Halibut Point Rd-North area yields a full and true value, fee simple valuation of \$672,900 for this tideland parcel.

This valuation is reconciled on the coast approach and is significantly higher than past valuations due to a substantially different classification of upland/filled/submerged areas from the original 1962 valuation, and due to market value changes from 2003 to present. This value, when analyzed within the context of Samson's entire operations on these two parcels, is well supported by this analysis.

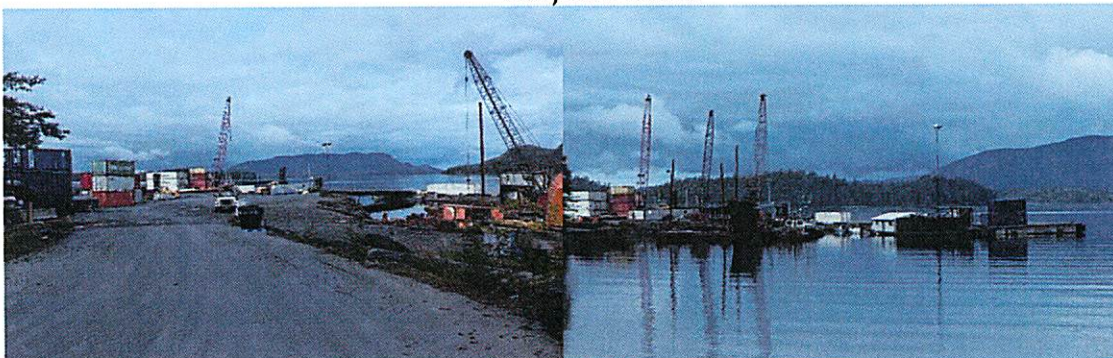
PID	Owner/Lessee	Land Value	Building Value	Assessed Value
2-6025-000	5309/5311 HPR-Samson Tug & Barge-Owned Filled Tidelands	\$ 582,600	\$ -	\$ 582,600
2-6025-002	Samson Tug & Barge-Leased Filled/Submerged Tidelands (ATS 1571)	\$ 672,900	\$ 1,000,000	\$ 1,672,900
	Total Assessed Values	\$ 1,255,500	\$ 1,000,000	\$ 2,255,500
DOT 2015-0382 Encumbers 2-6025-000 & 2-6025-002				\$ 4,230,000

In summary, Samson's combined assessed values for this commercial facility total \$2,255,500, which is still substantially lower than the \$4,230,000 promissory note and workout agreement secured against this property by First American Title (Trustee) and Alaska Marine Lines (Beneficiary). Deed of Trust [2015-000382-0](#) outlines a note against these two properties with Samson as (Trustor), which more than likely had a commercial fee appraisal supporting that value.

Comparable Sales Map:



Subject Photos:



STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

- The resulting report was written in compliance with Standards Rule 6 of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of The Appraisal Foundation, and was prepared under the provisions of the Alaska State Statute 29.45 and local City and Borough of Sitka ordinances.
- This report is an opinion of full and true value based upon standardized land and building cost valuation models established for the fair and equitable valuation of all taxable property per SGC 4.12.040.
- If an error is found, the appraiser reserves the right to review and amend the estimate of value.
- This report must be used and considered as a whole document. No part of this report is to be used out of context, and by itself alone, no part of this report is necessarily correct, as being only part of the evidence upon which the final judgment as to value is based. The appraiser is not responsible for unauthorized use of this report.
- The subject of this report was assumed to be free of any and all liens and encumbrances, and has been appraised as though under responsible ownership and competent management.
- A survey of the property was not provided; the department has relied upon tax maps, publicly available surveys and other materials in the course of estimating physical dimensions and the acreage associated with this property. It is assumed that the data, maps and descriptive data used are accurate and correct. Photos, sketches, maps and drawings in this report are for visualizing the property only and are not to be relied upon for any other use as they may not be to scale.
- Utilization of the land and any improvements is located within the boundaries of the property described. It is assumed that there are no adverse easements or encroachments that have not already been addressed in the assessed valuation.
- Interior inspections in general are not made of assessed valuation properties, nor of the comparable parcels of property included in this report. All inspections are made from the exterior only. It is assumed that the condition of the interior of each property is similar to its exterior condition, unless the assessor has received additional information from qualified sources giving more specific detail about the interior condition.
- Property inspection dates will have ranged in time from both before and after the appraisal date. It is assumed that there has been no material change in condition from the latest property inspection, unless otherwise noted on individual property records retained in the assessor's office.
- It is assumed that there are no hidden or unapparent conditions associated with the properties, subsoil, or structures, which would render the properties (land and/or improvements) more or less valuable.
- It is assumed that the properties and/or the landowners are in full compliance with all applicable federal, state, and local environmental regulations and laws.
- It is assumed that all applicable zoning and use regulations have been complied with. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
- It is assumed that all required licenses, certificates of occupancy, consents, or other instruments of legislative or administrative authority from any private, local, state, or national government entity have been obtained for any use on which the value opinions contained within this report are based.
- A hazardous condition's report has not been provided, nor is the department staff qualified to detect hazardous materials. Therefore, evidence of hazardous materials, which may or may not be present on a property, was not observed. As a result, the final opinion of value is predicated upon the assumption that there is no such material on any of the properties that might result in a loss, or change in value.
- Information, estimates, and opinions furnished to the appraisers and incorporated into the analysis and final report were obtained from sources assumed to be reliable, and a reasonable effort has been made to verify such information. However, no warranty is given for the reliability of this information.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992, and the department has not made compliance surveys nor conducted a specific analysis of any property to determine if it conforms to the various detailed requirements identified in the ADA. It is possible that such a survey might identify nonconformity with one or more ADA requirements, which could lead to a negative impact on the value of the property(s). Because such a survey has not been requested and is beyond the scope of this appraisal assignment, we did not take into consideration adherence or non-adherence to ADA in the valuation of the properties addressed in this report.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- Possession of this report does not carry with it the right of reproduction, and disclosure of this report is governed by the rules and regulations of the State of Alaska, and is subject to jurisdictional exception and the laws of the City and Borough of Sitka.
- No responsibility is assumed for matters of law or legal interpretation.
- It is assumed no conditions existed that were undiscoverable through normal diligent investigation which would affect the use and value of the property.
- The value estimates are made subject to the purpose, date and definition of value.
- The report is to be considered in its entirety, the use of only a portion thereof will render the report invalid.
- Any distribution of the valuation in the report between the land, improvements, and personal property applies only under the existing program of utilization. The separate valuations for land, building, and chattel must not be used in conjunction with any other appraisal and is invalid if so used.

CERTIFICATION OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have not performed any services regarding the subject property, as an appraiser or in any other capacity, within the three year period immediately preceding initiation of this assignment.
- I have no bias with respect to any property within this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results
- My compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the properties that are the subject of this report.
- No one provided significant mass appraisal assistance to the person signing this certification.

Wendy Lawrence

Wendy Lawrence

State of Alaska Certified Residential Real Estate Appraiser

LICENSE: APRR-740 EXPIRES: 6/30/19

Inspection and Effective Date: September 14, 2017

Report Date: September 15, 2017



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Planning and Community Development Department

AGENDA ITEM:

Case No: LM 17-03
Proposal: Request for lease renewal
Applicant: Samson Tug & Barge
Owner: City and Borough of Sitka
Location: 5309 Halibut Point Road
Legal: ATS 1571
Zone: Waterfront District
Size: Lease parcel: 4.52 acres
Parcel ID: 2-6025-000
Existing Use: Industrial – barge landing serving freight and bulk fuel facilities
Adjacent Use: Commercial, Public
Utilities: Existing
Access: Tidelands – via water; Uplands – via Halibut Point Road

KEY POINTS AND CONCERNS:

1. Historical use as a lease parcel – originally owned and leased by state, conveyed to CBS for continued leasing, lease creates revenue for municipality
2. Neighborhood harmony – surrounding uses are commercial and public in use, conditional use permit approved for existing bulk fuel facility on the uplands
3. Scope of Planning Commission's Role–to advise the City Assembly and Planning Director as to compatibility of land use; and to aid the Planning Director and City Assembly in an advisory role as to any appropriate land use concerns related to use or mitigation of those concerns.

RECOMMENDATION:

Staff recommends that the Planning Commission recommend approval of LM 17-03 to the Assembly.

ATTACHMENTS

Attachment A: Vicinity Map
Attachment B: Aerial Vicinity Map
Attachment C: Zoning Map
Attachment D: Current Survey
Attachment E: Parcel Pictures

Attachment F: Application
Attachment G: Existing Lease Documents
Attachment H: Flood Zone Map
Attachment I: Correspondence
Attachment J: Mailing List

BACKGROUND

In 1962, Alaska Department of Natural Resources (DNR) owned the 4.52 acre parcel of tidelands adjacent 5309 Halibut Point Road and entered into a 55-year lease agreement with Alaska Lumber and Pulp Company. This lease was set to expire August 13, 2017. In 1982, Alaska Lumber and Pulp Company assigned, as lessee, the lease to City and Borough of Sitka (CBS). In 1994, CBS assigned the lease to Samson Tug and Barge. Also in 1994, Samson Tug and Barge assigned a security interest to National Bank of Alaska. In 1997, DNR assigned lessor's interest to CBS. In 2003, the security interest assignment to National Bank of Alaska was extended to 2023.

In the original lease, the parcel was described by a metes and bounds description. In subsequent surveys, the parcel has been described as ATS 35 and, most recently, ATS 1571.

PROJECT DESCRIPTION

Samson Tug and Barge requests to renew the lease for tidelands adjacent 5309 Halibut Point Road. A commercial dock/barge landing is located on the tidelands and would continue to support Delta Western's existing bulk fuel facility operations and Samson Tug and Barge's freight facility located on the uplands. Freight and cargo services and commercial docks are permitted uses in the Waterfront District, and the bulk fuel facility received the required conditional use permit in 2013. The conditional use permit is in good standing. The lease of uplands between Delta Western and Samson Tug and Barge was executed in 2013 and runs for 30 years with six 5-year renewal options.

The tideland lease expires August 13, 2017. The applicant requests a 55 year lease term to expire in 2072. This would allow for each renewal period in Delta Western's lease to be fulfilled.

In December 2015, the CBS Assessor determined that the valuation of the parcel is \$555,000. This value will be used to determine the lease price.

PROCEDURE

The lease application is coming before the Planning Commission to seek a recommendation of approval to the Assembly. The Harbormaster has determined that the item does not need to be

heard by the Port and Harbors Commission. The lease application will then go to the Assembly for approval of the lease by ordinance, requiring two hearings. If necessary, a month-to-month lease can be executed to bridge the gap from the expiration date until an ordinance can be passed.

Competitive bidding is not required because the applicants are the upland property owners¹.

The current lease amount is \$11,144 plus tax per year. Samson Tug and Barge is current on lease payments. The current lease expires August 13, 2017.

ANALYSIS

Project/Site: ATS 1571 consists of 4.52 acres of tidelands. Approximately 70% of the tidelands are submerged and 30% are filled. A barge landing exists on the tidelands.

Traffic: Access to the tidelands will continue to be via water.

Parking: Parking is located on the uplands. No change to use is proposed so parking does not need to be reconsidered.

Noise: Industrial use is to be expected in the Waterfront District. Operation modifications are not proposed at this time. Future modifications to operations may be subject to the conditional use permit amendment process.

Public Health or Safety: Barge landings inherently come with some degree of safety concern and are best regulated by Alaska DEC and USCG.

Habitat: Any future construction would need to comply with US Army Corps of Engineers requirements. No construction currently proposed.

Property Value or Neighborhood Harmony: Neighboring uses are commercial and public in nature. Industrial uses have occurred on this site since 1962.

Conformity with Comprehensive Plan: The proposal conforms to Comprehensive Plan Section 2.4.19 which states, "To consistently follow and enforce land use policies, codes, regulations, and decisions..." by leasing a parcel according to procedures outlined in Sitka General Code Title 18.

RECOMMENDATION

It is recommended that the Planning Commission adopt the staff analysis and move to recommend approval of the lease renewal for ATS 1571 tidelands adjacent 5309 Halibut Point Road.

¹ Sitka General Code 18.12.010(E)

RECOMMENDED MOTION

- 1) I move to recommend approval of the lease renewal including a month to month and long-term lease request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

Parcel ID: 2-6004-000
CITY & BOROUGH OF SITKA
100 Lincoln St
Sitka AK 99835

Parcel ID: 2-6004-004
ALASKA, STATE OF
6860 Glacier Hwy
Sitka AK 99801

Parcel ID: 2-6006-000
CITY & BOROUGH OF SITKA
100 Lincoln St
Sitka AK 99835

Parcel ID: 2-6010-000
ALLEN MARINA, LLC
PO Box 1049
Sitka AK 99835-1049

Parcel ID: 2-6015-000
ALLEN PROPERTIES, LLC
PO Box 1049
Sitka AK 99835-1049

Parcel ID: 2-6016-000
ALASKA, STATE OF
6860 Glacier Hwy
Sitka AK 99801

Parcel ID: 2-6025-000
SAMSON TUG & BARGE COMPANY,
INC.
PO Box 559
Sitka AK 99835-0559

Parcel ID: 2-6035-001
GRAHAM BRYANNA M.
5316 Halibut Point Rd
Sitka AK 99835

Parcel ID: 2-6035-002
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Sitka AK 99516-2477

Parcel ID: 2-6035-003
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Anchorage AK 99516-247

Parcel ID: 2-6035-004
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Anchorage AK 99516-2477

2-6040-000-000-0000
JACK/TRACY ALLEN
P.O. BOX 5502
PALMER AK 99645

Assembly Mailing
April 30, 2018



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold public hearing during a regular meeting scheduled Tuesday, May 8, 2018 on the following item:

- A. Public hearing and consideration of a long-term Class III tideland lease request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, May 8, 2018. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Parcel ID: 2-6004-000
CITY & BOROUGH OF SITKA
100 Lincoln St
Sitka AK 99835

Parcel ID: 2-6004-004
ALASKA, STATE OF
6860 Glacier Hwy
Sitka AK 99801

Parcel ID: 2-6006-000
CITY & BOROUGH OF SITKA
100 Lincoln St
Sitka AK 99835

Parcel ID: 2-6010-000
ALLEN MARINA, LLC
PO Box 1049
Sitka AK 99835-1049

Parcel ID: 2-6015-000
ALLEN PROPERTIES, LLC
PO Box 1049
Sitka AK 99835-1049

Parcel ID: 2-6016-000
ALASKA, STATE OF
6860 Glacier Hwy
Sitka AK 99801

Parcel ID: 2-6025-000
SAMSON TUG & BARGE COMPANY,
INC.
PO Box 559
Sitka AK 99835-0559

Parcel ID: 2-6035-001
GRAHAM BRYANNA M.
5316 Halibut Point Rd
Sitka AK 99835

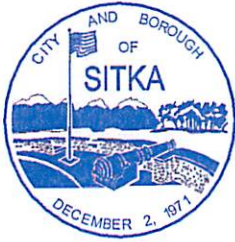
Parcel ID: 2-6035-002
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Sitka AK 99516-2477

Parcel ID: 2-6035-003
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Anchorage AK 99516-247

Parcel ID: 2-6035-004
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Anchorage AK 99516-2477

Parcel ID: 2-6040-000
ALLEN JACK S.
ALLEN TRACY S.
PO Box 1352
Sitka AK 99835-1352

Assembly Mailing
April 16, 2018



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold public hearing during a regular meeting scheduled Tuesday, April 24, 2018 on the following item:

- A. Public hearing and consideration of a long-term Class III tideland lease request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, April 24, 2018. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Parcel ID: 2-6004-000
CITY & BOROUGH OF SITKA
100 Lincoln St
Sitka AK 99835

Parcel ID: 2-6006-000
CITY & BOROUGH OF SITKA
100 Lincoln St
Sitka AK 99835

Parcel ID: 2-6010-000
ALLEN MARINA, LLC
PO Box 1049
Sitka AK 99835-1049

Parcel ID: 2-6015-000
ALLEN PROPERTIES, LLC
PO Box 1049
Sitka AK 99835-1049

Parcel ID: 2-6016-000
ALASKA, STATE OF
6860 Glacier Hwy
Sitka AK 99801

Parcel ID: 2-6025-000
SAMSON TUG & BARGE COMPANY,
INC.
PO Box 559
Sitka AK 99835-0559

Parcel ID: 2-6035-001
GRAHAM BRYANNA M.
5316 Halibut Point Rd
Sitka AK 99835

Parcel ID: 2-6035-002
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Sitka AK 99516-2477

Parcel ID: 2-6035-003
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Anchorage AK 99516-247

Parcel ID: 2-6035-004
LEVENSON ARYEH L.
LEVENSON KAY L.
11600 Moose Rd
Anchorage AK 99516-2477

Parcel ID: 2-6040-000
ALLEN JACK S.
ALLEN TRACY S.
PO Box 1352
Sitka AK 99835-1352

Assembly Mailing
March 30, 2018



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold public hearing during a regular meeting scheduled Tuesday, April 10, 2018 on the following item:

- A. Public hearing and consideration of a long-term Class III tideland lease request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, April 10, 2018. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Assembly Mailing

January 12, 2018

Parcel ID: 26004000
CITY & BOROUGH OF SITKA
CITY & BOROUGH OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 26015000
ALLEN PROPERTIES, LLC
ALLEN PROPERTIES, LLC
P.O. BOX 1049
SITKA AK 99835-1049

Parcel ID: 26035001
BRVANNNA GRAHAM
GRAHAM, BRVANNNA, XI
5316 HAILBUT POINT RD
SITKA AK 99835

Parcel ID: 26035004
ARVEH/KAY LEVENSON
LEVENSON, ARVEH, L/KAY, L
11600 MOOSE RD
ANCHORAGE AK 99516-2477

Parcel ID: 26006000
SITKA, CITY & BOROUGH OF
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 26016000
STATE OF ALASKA
FERBY TERRINHAL
STATE OF ALASKA
6860 CLACIER HWY
JUNEAU AK 99801

Parcel ID: 26035002
ARVEH/KAY LEVENSON
LEVENSON, ARVEH, L/KAY, L
11600 MOOSE RD
ANCHORAGE AK 99516-2477

Parcel ID: 26040000
JACK/TRACY ALLEN
ALLEN, JACK, S./TRACY, S.
P.O. BOX 1352
SITKA AK 99835-1352

Parcel ID: 26025000
SAMISON TIG & BARGE CO, INC
SAMISON TIG & BARGE CO.
P.O. BOX 559
SITKA AK 99835-0559

Parcel ID: 26035003
ARVEH/KAY LEVENSON
LEVENSON, ARVEH, L/KAY, L
11600 MOOSE RD
ANCHORAGE AK 99516-2477



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold public hearing during a regular meeting scheduled Tuesday, January 23, 2018 on the following item:

- A. Public hearing and consideration of a long-term Class III tideland lease request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, January 23, 2018. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

~~CITY & BOROUGH OF SITKA
100 LINCOLN ST
SITKA AK 99835~~

~~C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835~~

ALLEN MARINE, LLC
P.O. BOX 1049
SITKA AK 99835-1049

~~Parcel ID: 26015000
ALLEN PROPERTIES, LLC
ALLEN PROPERTIES, LLC
P.O. BOX 1049
SITKA AK 99835-1049~~

Parcel ID: 26016000
STATE OF ALASKA
FERRY TERMINAL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 26025000
SAMSON TUG & BARGE CO., INC
SAMSON TUG & BARGE CO.
P.O. BOX 559
SITKA AK 99835-0559

Parcel ID: 26035001
BRYANNA GRAHAM
GRAHAM, BRYANNA, M.
5316 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 26035002
ARYEH/KAY LEVENSON
LEVENSON, ARYEH, L./KAY, L.
11600 MOOSE RD
ANCHORAGE AK 99516-2477

Parcel ID: 26035003
ARYEH/KAY LEVENSON
LEVENSON, ARYEH, L./KAY, L.
11600 MOOSE RD
ANCHORAGE AK 99516-2477

~~Parcel ID: 26035004
ARYEH/KAY LEVENSON
LEVENSON, ARYEH, L./KAY, L.
11600 MOOSE RD
ANCHORAGE AK 99516-2477~~

Parcel ID: 26040000
JACK/TRACY ALLEN
ALLEN, JACK, S./TRACY, S.
P.O. BOX 1352
SITKA AK 99835-1352

Assembly Mailing
July 28, 2017



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Notice of Public Hearings

The Assembly of the City and Borough of Sitka will hold public hearing during a regular meeting scheduled Tuesday, August 8, 2017 on the following item:

- A. Public hearing and consideration of a tideland lease renewal request for 5309 Halibut Point Road. The property is also known as ATS 1571. The request is filed by Samson Tug and Barge. The owner of record is the City and Borough of Sitka.

The Assembly may take action on Tuesday, August 8, 2017. The Assembly meeting will begin at 6:00 pm at Harrigan Centennial Hall at 330 Harbor Drive in Sitka.

Interested residents are encouraged to make comments during the meeting and written comments can be submitted to the Municipal Clerk at 100 Lincoln Street.

Parcel ID: 26004000
CITY & BOROUGH OF SITKA
CITY & BOROUGH OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 26006000
SITKA, CITY & BOROUGH OF
C/B OF SITKA
100 LINCOLN ST
SITKA AK 99835

Parcel ID: 26010000
ALLEN MARINA, LLC
ALLEN MARINE, LLC
P.O. BOX 1049
SITKA AK 99835-1049

Parcel ID: 26015000
ALLEN PROPERTIES, LLC
ALLEN PROPERTIES, LLC
P.O. BOX 1049
SITKA AK 99835-1049

Parcel ID: 26016000
STATE OF ALASKA
FERRY TERMINAL
STATE OF ALASKA
6860 GLACIER HWY
JUNEAU AK 99801

Parcel ID: 26025000
SAMSON TUG & BARGE CO., INC
SAMSON TUG & BARGE CO.
P.O. BOX 559
SITKA AK 99835-0559

Parcel ID: 26035001
BRYANNA GRAHAM
GRAHAM, BRYANNA, M.
5316 HALIBUT POINT RD
SITKA AK 99835

Parcel ID: 26035002
ARYEH/KAY LEVENSON
LEVENSON, ARYEH, L./KAY, L.
11600 MOOSE RD
ANCHORAGE AK 99516-2477

Parcel ID: 26035003
ARYEH/KAY LEVENSON
LEVENSON, ARYEH, L./KAY, L.
11600 MOOSE RD
ANCHORAGE AK 99516-2477

Parcel ID: 26035004
ARYEH/KAY LEVENSON
LEVENSON, ARYEH, L./KAY, L.
11600 MOOSE RD
ANCHORAGE AK 99516-2477

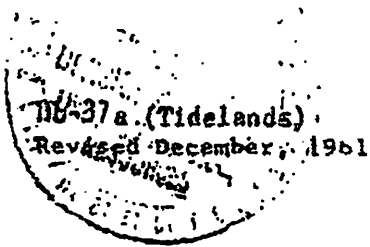
Parcel ID: 26040000
JACK/TRACY ALLEN
ALLEN, JACK, S./TRACY, S.
P.O. BOX 1352
SITKA AK 99835-1352

P&Z Mailing
July 7, 2017

Documents

- A. Original Tidelands Lease DNR/AL&P 13 August 1962- 13 August 2017
- B. Amendment - Converts to 25 year term for purpose of rental re-evaluation.
All other terms unchanged
- C. Assignment of Lessee's interest from AL&P to City & Borough of Sitka. January 22, 1982
Note: error on stated expiration date of *January 22, 2017*
- D. Assignment of Lease City & Borough of Sitka to Samson Tug Feb. 17, 1994
Note: has correct expiration date of August 13, 2017
- E. Assignment of Lessor's interest from DNR to City & Borough of Sitka Aug 20, 1997
- F. Portion of Delta Western Lease
- G. State of Alaska present land application form.

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LANDS
344 Sixth Avenue
Anchorage, Alaska



Lease No. ADL 02683

LEASE AGREEMENT

THIS INDENTURE made and entered into this 13th day of August 1962, by and between the STATE OF ALASKA, through the Director of the Division of Lands, with the consent and approval of the Commissioner of the Department of Natural Resources, acting for and on its behalf under and pursuant to Chapter 169, SLA 1959, as amended, and the regulations promulgated thereunder, as amended or hereafter amended, hereinafter referred to as the LESSOR; and Alaska Lumber and Pulp Co., Inc. of P.O. Box 1090, Seward, Alaska, hereinafter referred to as the LESSEE;

WITNESSETH, that whereas the Lessor has classified the lands herein demised as: Commercial-Industrial lands on May 28 1962, pursuant to Chapter 169, SLA 1959, as amended; and

WHEREAS, the Lessor has caused the lands herein demised to be appraised and such appraisal was made and approved on or after May 28, 1962, 1962; and

WHEREAS, the Lessor has caused a notice of intent to lease the lands herein demised to be published as required by law or caused notices of intent to lease to be posted as required by law; and

WHEREAS, an auction of the within demised property was held at the time and place designated by notice and said sale was approved by the Director of the Division of Lands, Department of Natural Resources, State of Alaska:

NOW THEREFOR, the Lessor has agreed to let and does hereby let and demise to the Lessee, and the Lessee has agreed to take and does hereby take from the Lessor all that lot, piece, or parcel of land more particularly bounded and described, as follows:
Commencing at W. C. of U.S. Survey 3670, common with Lot 4, 5, and 6 at Lat. 57°08'
N., Long. 135°23' W., thence N. 41°47' W., a distance of 178.74 ft. to a point on
the mean high tide line thence along the mean high tide line N. 73°17' E., 53.80 ft.
to Cor. No. 1 of ATS 35 and the actual point of beginning, thence by notes and bounds:
N. 36°57'30" E., 39.01 ft. to Cor. No. 2, N. 32°07'20" E., 299.30 ft. to Cor. No. 3
N. 33°52'50" E., 173.74 ft. to Cor. No. 4, S. 63°07'33" E., 442.39 ft. to Cor. No. 5,
S. 300 ft. to Cor. No. 6, N. 68°45'34" W., 242.12 ft. to Cor. No. 7, N. 56°34'02" W.,
208.14 ft. to Cor. No. 8, S. 28°39'14" W., 119.80 ft. to Cor. No. 9, N. 85°21'45" W.,
218.92 ft. to Cor. No. 10, S. 75°17' W., 0.08 ft. to Cor. No. 1, the actual point of
beginning. Containing 4.52 acres more or less.

A-1

to have and to use the said demised premises for term of Fifty-five
{ 55 } years commencing on the 13th day of August , 19 62 and ending
at 12 o'clock midnight on the 13th day of August , 2017 , unless
sooner terminated as hereinafter provided.

The Lessee shall pay to the Lessor rental as follows: Equal Annual
payments, in advance, on or before the 13th day of August of every
year during said term at the rate of Four Hundred and 00/100
 Dollars (\$ 400.00) per year , such payments to
be subject to adjustment at each five year interval from the effective date hereof, if the
lease term hereof exceeds five years, such adjustment to be based primarily upon a reappraisal
annual rental value of land in a state of improvement similar to that of the land described
herein at the time this lease was entered into.

It is hereby mutually covenanted and agreed that this indenture is made upon the
foregoing, and upon the following agreements, conditions, covenants, and terms, VIZ:

1. The word "Lessor" as and wherever used in the lease, shall be construed to
include, and shall include, bind and inure to the benefit of, the State of Alaska, its
successor and assigns, at any time during the term of this lease or any renewal thereof;
and the word "Lessee" as and wherever used in this lease shall be construed to include and
shall include and bind and inure to the benefit of the Lessee, his successors and assigns.

2. It shall be the responsibility of the Lessee to properly locate himself and
his improvements within the confines of the property leased herein.

3. The Lessor, Alaska, hereby expressly saves, excepts and reserves out of the
grant hereby made unto itself, its lessees, successors, and assigns forever, all oils,
gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or
description, and which may be in or upon said lands above described, or any part thereof,
and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable
materials, and fossils, and it also hereby expressly saves and reserves out of the grant
hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter
by itself, its or their agents, attorneys, and servants upon said lands, or any part or
parts thereof, at any and all times, for the purpose of opening, developing, drilling and
working mines or wells on these or other lands and taking out and removing therefrom all
such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that
end it further expressly reserves out of the grant hereby made, unto itself, its lessees,
successors, and assigns forever, the right by its or their agents, servants and attorneys
at any and all times to erect, construct, maintain, and use all such buildings, machinery,
roads, pipelines, powerlines, and railroads, sink such shafts, drill such wells, remove
such soil, and to remain on said lands or any part thereof for the foregoing purposes and
to occupy as much of said lands as may be necessary or convenient for such purposes hereby
expressly reserving to itself, its lessees, successors, and assigns, as aforesaid,
generally all rights and power in, to and over said land, whether herein expressed or not,
reasonably necessary or convenient to render beneficial and efficient the complete enjoy-
ment of the property and rights hereby expressly reserved.

Provided, however, no rights shall be exercised by Alaska, its lessees, successors
or assigns, until provision has been made by Alaska, its lessees, successors or assigns,
to pay to the owner of the land, upon which the rights herein reserved to Alaska, its
lessees, successors, or assigns are sought to be exercised, full payment for all damages
sustained by said owner, by reason of entering upon said land; provided, that if said
owner for any cause whatever refuses or neglects to settle said damages, Alaska, its
lessees, successors or assigns or any applicant for a lease or contract from Alaska for

coal or lease for extracting petroleum or natural gas, shall have the right, after posting a surety bond with the Director in a company qualified to do business in Alaska or in a form as determined by the Director, after due notice and opportunity to be heard, to be sufficient in amount and security to secure the said owner full payment for all such damages, to enter upon the land in the exercise of said reserved rights, and shall have the right to institute such legal proceedings in a court of competent jurisdiction whereof the land is situated, as may be necessary to determine the damages which the surface less of such lands may suffer.

4. The lands leased herein have been classified as shown on page 1 of this agreement and in accordance with the Classification Regulations, Title II, Division I, Chapter I, Subchapter I, and any use thereof which shall be in material conflict with said classification shall, if not remedied after due notice thereof has been served on the Lessee, constitute a breach of this lease and the Lessor may thereupon terminate same in accordance with provisions herein contained. The Lessor does not warrant that by such classification the land is ideally suited for the use authorized thereunder and the Lessor gives no guaranty, actual or implied, that the utilization under said classification will be profitable.

5. All coal, oil, gas and other minerals and all deposits of stone or gravel valuable for extraction and utilization and all materials subject to Title II, Division I, Chapters Four (4), Five (5) and Six (6), Alaska Administrative Code, as amended or as shall hereafter be amended are excepted from the operation of this lease. Vizi: The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peatmoss, or any other material valuable for building or commercial purposes; provided, however, that material required in the enjoyment of this lease may be used after a written permit therefor has been obtained from the Lessor.

6. The Lessor expressly reserves the right to grant easements or rights-of-way across the land herein leased if it is determined to be in the best interests of the State to do so; provided, however, that the Lessee shall be entitled to compensation for all improvements or crops which are damaged or destroyed as a direct result of such easement or right-of-way.

7. The Lessee shall not commit waste or injury upon the lands leased herein. Any violation of this agreement shall not only subject the offender to civil liability, but upon conviction thereof he may be fined in any sum not exceeding \$1000.00.

8. If the lands leased herein are classified and leased as grazing or agricultural lands the Lessee shall not prevent or deny the lawful pursuit or the hunting of game or the taking of fish; provided, however, the Director, upon request in writing, may allow the lands leased herein, or portions thereof, to be posted to prohibit hunting and fishing when it appears necessary in order to properly protect the Lessee and his property.

9. Should the lands herein leased lie within the jurisdiction of any authorized building or zoning authority they shall be utilized in accordance with the rules and regulations promulgated by said authority.

10. The Lessee shall take all reasonable precaution to prevent, and take all reasonable action to suppress grass, brush and forest fires on the land herein leased.

11. The Lessee shall allow the Lessor, through its duly authorized representative, to enter upon the leased premises, at any reasonable time, for the purpose of an inspection thereof.

hydraulic project or employ any equipment or engage in any activity which will use, divert, obstruct, pollute or change the natural flow or bed of any river, lake or stream or that will utilize any of the waters of the State or materials from any river, lake or stream beds, the Lessee shall, prior to the commencement of any such operations, procure the approval of the Commissioner of the Department of Fish and Game and the original or an enlarged copy thereof shall be filed with the Lessor prior to the commencement of such activity.

13. The Lessee may assign the lands, or portion thereof, herein demised, provided, he first makes application to the Lessor for a permit and the Lessor, in his discretion, may issue such permit if he finds it to be in the best interest of Alaska. Upon an assignment being granted, the assignee thereunder shall become subject to and be governed by the provisions of this lease in the same manner as though he were the original Lessee.

14. This lease may not be modified orally or in any manner other than by an agreement in writing signed by all parties hereto or their respective successors in interest.

15. This lease may be cancelled, in whole or in part, under one or more of the following conditions:

- A. While in good standing by the mutual agreement in writing of the respective parties hereto.
- B. If issued in error with respect to material facts.
- C. If the leased premises are being used for an unlawful purpose.

16. If the Lessee should default in the performance of any of the terms, covenants or stipulations herein contained or of the regulations promulgated pursuant to Chapter 169, SLA 1959, as amended, and said default shall not be remedied within 30 days after written notice of such default has been served upon the Lessee by the Lessor, the Lessee shall be subjected to such legal action as the Lessor shall deem appropriate including but not limited to, the forfeiture of this lease. No improvements may be removed by the Lessee during any period in which this lease is in default. In the event that this lease shall be terminated because of a breach of any of the terms, covenants, or stipulations contained herein the annual rental payment last made by the Lessee shall be retained by the Lessor as liquidated damages.

17. Any notice or demand which must be given or made by the parties hereto shall be in writing, and shall be complete by sending such notice or demand by United States registered or certified mail to the address shown on the lease or to such other address as the parties shall designate in writing from time to time. A copy of any such notice shall be forwarded by the Lessor to any lienholder who has properly recorded his interest in the lease with the Lessor.

18. In the event that this lease is terminated as herein provided, by summary proceedings or otherwise, or in the event that the demised lands, or any part thereof, should be abandoned by the Lessee during the term of this lease, the Lessor may immediately, or at any time thereafter, enter or re-enter and take possession of said lands, or any part thereof, and without liability for any damage therefor, remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law; provided, however, that the words "entry" and "re-entry" as used herein, are not restricted to their technical legal meaning. Any entry or re-entry, possession, repossession,

dispossess, and/or dispossession by the Lessor, whether had or taken by summary proceedings, or otherwise, shall not be deemed to absolve, relieve, release or discharge the Lessee, either in whole or in part, from any liability hereunder.

19. Upon the expiration, termination or cancellation of this lease, unless the same has been renewed, the Lessee shall quietly and peaceably leave, surrender, and yield up unto the Lessor all of the leased land on the last day of the term of the lease.

20. The receipt of rent by the Lessor, with or without knowledge of any breach of the lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of this lease, shall not be deemed to be a waiver of any provision of this lease. No failure on the part of the Lessor to enforce any covenant or provision herein contained, nor any waiver of any right hereunder by the Lessor, unless in writing, shall discharge or invalidate such terms or covenants or affect the right of the Lessor to enforce the same in the event of any subsequent breach or default. The receipt by the Lessor of rent or any other sum of money or the termination, in any manner, of the term therein demised, or after giving by the Lessor of any notice hereunder to affect such termination, shall not reinstate, continue, or extend the resultant term herein demised, or destroy, or in any manner impair the efficacy of any such notice of termination as may have been given hereunder by the Lessor to the Lessee prior to the receipt of any such sum of money or other consideration, unless expressed in writing and signed by the Lessor.

21. The Lessee, after written request therefor has been filed with the Lessor and prior to the commencement of such work, may receive credit toward current or future rentals, provided the contemplated work, to be accomplished on or off the area leased herein, in the discretion of the Lessor, shall result in increased valuation to other State owned lands. The Lessor's authorization to proceed with the work for rental credit, if granted, shall stipulate the type and extent of improvements, standards of construction to be followed and the maximum allowable rental credit therefor; provided further that no rental credit shall inure to the Lessee until the work has been completed and the Lessor has inspected same to determine compliance with the provisions of said authorization.

22. If, upon the expiration of this lease, the Lessee desires a renewal lease on the lands, properties or interests covered herein, he shall within 30 days before the expiration of this lease, make application to the Lessor on Form DL-74 entitled "Application for Renewal of Lease," in which he must certify under oath as to the character and value of all the improvements existing upon the land, the purpose for which he desires a renewal and such other information as the Director of the Division of Lands may require. Along with the application the applicant shall deposit a sum equal to 50% of the current annual rental, as provided herein, but in no event to exceed the sum of \$50.00. The Lessor may thereupon lease said lands in compliance with the provisions herein enumerated, Chapter 169, SLA 1959, as amended, and the rules and regulations promulgated thereunder, allowing a preference right to the Lessee herein.

23. The Lessee hereunder shall, upon the expiration of this lease or the prior termination thereof by mutual agreement, be allowed a preference right to re-lease the lands leased herein if all other pertinent factors are substantially equivalent. If the renewal lease does not require public auction the preference right holder shall exercise his right within 30 days before the expiration of this lease by written notice directed to the Lessor and failure to do so shall result in forfeiture and cancellation of such preference right. In the event that the lease is subject to and is offered at public auction the preference right holder shall, at the close of bidding, indicate his desire to exercise his preference right and meet the highest bid. In the event the preference right holder does not elect to exercise his right and fails to do so at this time his preference right shall be forfeited and forever lost.

Improvements owned by a Lessee on Alaska land shall within 60 days after the termination of the lease be removed by him; provided, such removal will not cause injury or damage to the lands; and further provided, that the Lessor may extend the time for removing such improvements in cases where hardship is proven. The retiring Lessee or permittee may, with the consent of the Lessor, sell his improvements to the succeeding Lessee or permittee.

If any improvements and/or chattels having an appraised value in excess of \$10,000.00 as determined by the Lessor are not removed within the time allowed, such improvements and/or chattels shall upon due notice to the Lessee, be sold at public sale under the direction of the Lessor. The proceeds of sale shall inure to the Lessee who placed such improvements and/or chattels on the lands after paying to Alaska all rents due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sales, the Lessor is authorized to bid, in the name of Alaska, on such improvements and/or chattels. The bid money shall be taken from the fund to which said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements and/or chattels. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements and/or chattels having an appraised value of \$10,000.00 or less, as determined by the Lessor, are not removed within the time allowed, such improvements and/or chattels shall revert to and absolute title shall vest in Alaska.

25. If any clause, or provision, herein contained, shall be adjudged to be invalid, it shall not affect the validity of any other clause or provision, of this lease or constitute any cause of action in favor of either party as against the other.

HERRING SPAWN COVENANT:

This lease is issued subject to Section 2, Chapter 34, SLA 1959, as thereafter amended.

It is agreed that the covenants, terms and agreements herein contained shall be binding upon the successors and assigns of the respective parties hereto.

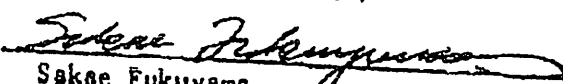
IN WITNESS WHEREOF, the State of Alaska, Lessor, acting through the Director of the Division of Lands of the Department of Natural Resources, lawfully authorized thereunto, has caused these presents to be executed at Anchorage, Alaska, in duplicate and the said Lessee has hereunto set his hand, agreeing to keep, observe and perform the rules and regulations promulgated under Chapter 169, SLA 1959, as amended, the terms, conditions and provisions herein contained, on the Lessee's part to be kept, observed and performed; and executed said instrument, in duplicate on the 6th day of September, 1962.

APPROVED:

COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA


Director, Division of Lands

ALASKA LUMBER & PULP CO., INC.
LESSEE(S)


Sakae Fukuyama
Executive Vice President

UNITED STATES OF AMERICA
State of Alaska

) ss.

THIS IS TO CERTIFY that on the 24th day of September, 1962, before me, the undersigned Notary Public, personally appeared Roscoe E. Bell known to me and known by me to be the Director of the Division of Lands of the Department of Natural Resources, and acknowledged to me that he executed the foregoing lease for and on behalf of said State, freely and voluntarily and for the use and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

John F. Owen
Notary Public in and for the State of Alaska
My commission expires 2-27-65

UNITED STATES OF AMERICA) ss.
State of Alaska

THIS IS TO CERTIFY that on this 13th day of September, 1962, before me, the undersigned, a Notary Public in and for Alaska duly commissioned and sworn, personally appeared Mr. Sakae Fukuyama to me personally known to be one of the persons described in and who executed the within instrument and the said Sakae Fukuyama acknowledged to me that he signed and executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Returned
State of Alaska
Dept of Natural Resources
TOP 107005
Amendment No 95510-7005

Margaret McCollon
Notary Public in and for the State of Alaska
My commission expires February 24, 1965

Approved as to Form:

Ralph E. Moody
Attorney General

By Richard A. Bradley
Title Assistant Attorney General

95-693

cc	N/C
<u>Sikka</u>	REC. DIST.
DATE <u>7-17</u>	19 <u>65</u>
TIME <u>10:50</u>	A. M.
Requested By <u>AS/DNR</u>	
Address	

Certified to be
a True Copy
Charles Madara
8/22/94

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FOREST, LAND AND WATER MANAGEMENT

Alaska Tax Division of Land SERO
400 Wainwright Ave. Suite 400
Anchorage, AK 99501

BOOK 28 PAGE 855

AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT to that certain 55-year lease issued on AUGUST 13, 1962
and serialized ADL 02483 is executed and made effective as follows:

The above referenced lease agreement is amended in accordance with Chapter 138 of the Session Laws of 1977, as amended by Chapter 182 of the Session Laws of 1978. The lessee has filed with the Lessor a Request for Conversion of Lease on October 10, 1978. Under the provisions of these Acts the annual lease rental will be \$ 2,199.63, effective November 13, 1978 for a 25-year period starting with the effective date of this amendment. This rental is subject to adjustment at the expiration of the initial 25-year period, and at intervals of 10 years thereafter, in accordance with the procedures and limitations prescribed by statute.

A quarterly/annual rental payment of \$ 2,199.63 is due on or before August 13th of each lease year until reappraised in accordance with law.

All other terms and conditions of the above-referenced lease agreement are not affected by this amendment, and remain in full force and effect.

This amendment is hereby incorporated into and made a part of the above-referenced lease agreement as of the effective date of this amendment.

LESSEE:

[Signature]
J.A. Rynearson
Senior Vice-President
Alaska Lumber and Pulp Company, Inc.

Date: _____

LESSOR:

[Signature]
Chief, Land Management Section
Division of Forest, Land and Water
Management
Alaska Division of Lands

Date: JAN 30 1979

APPROVED AS TO FORM:

[Signature]
Assistant Secretary General
Sept 14, 1978
Date

To be recorded with the State of Alaska
Original Lease Book 114 Page 856-859

CC	283	NIC
S. H. L.		
DATE	2-17	1978
TIME	8:20	A.M.
Received by	[Signature]	
Address		

J B

See
Instructions
on Back

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF FOREST, LAND & WATER MANAGEMENT

ASSIGNMENT OF LEASE

I (We) Alaska Lumber and Pulp Company, Inc.
mailing address of P.O. Box 1050 - Sitka, Alaska 99835
herein assign under that certain lease designated as Lease No. AOL 002 483 covering the following described property:

description attached

Section Township Range Meridian (do) (does) hereby assign, for good and
valuable consideration, all right, title and interest, and subject to all rents, covenants and conditions, in said lease to assignee
City and Borough of Sitka
mailing address of P.O. Box 79 - Sitka, Alaska 99835
successors and assigns, for the unexpired term thereof commencing on January 22, 1982, and expiring
on January 22, 2017.

STATE OF ALASKA

First Judicial District

J.A. Ryneerson
J.A. Ryneerson
ASSIGNOR(S)

Senior Vice-President
Alaska Lumber and Pulp Company,
Inc.

THIS IS TO CERTIFY that on this twenty-second day of January, 1982, before me appeared
J.A. Ryneerson to me known and known to me to be the
person named in and who executed the assignment and acknowledged voluntarily signing the same.

Matthew J. J.
Notary Public in and for the State of Alaska
My Commission expires: 1/26/83

The assignee(s), City & Borough of Sitka, Alaska
herein expressly assumes the obligation to pay any and all prior, or delinquent taxes, liens of any nature, penalties, interest, or any other
obligations charged against the lands described herein above as of the date of this assignment.

Ermin Gutierrez
Municipal Administrator
ASSIGNEE(S)

STATE OF ALASKA

First Judicial District

THIS IS TO CERTIFY that on this 14th day of July, 1983, before me appeared
ERMIN GUTIERREZ to me known and known to me to be the
person named in and who executed the assignment and acknowledged voluntarily signing the same.

Valerie J. J.
Notary Public in and for the State of Alaska
My Commission expires: 10-31-84

APPROVED:

Robert A. Baker
Head, Contract Administration
Division of Forest, Land and Water Management

Date: 2-11-88

10-117 Rev. 9/80

Certified to be
a True Copy
Christa Reda
2/22/88

C

93-2354

See attached
instrument

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND
P.O. BOX 107003
ANCHORAGE, ALASKA 99510-7003

ASSIGNMENT OF LEASE

For value received, I (We) City and Borough of Sitka mailing address of 104 LARK ST. SITKA, AK 99801
under this certain lease designated as AOL No. 2693 covering the following
described property: Commencing at W.C. of U.S. Harvey 3475, corner with Lot 3, S.
and 9 at Lot. 27-08' N., Long. 135°33' W., thence N. 41°47' W., a distance of 378.74
ft. to a point on the mean high tide line thence along the mean high tide line N.
73°17' E., 93.97 ft. to Cor. No. 1 of ATO 19 and the actual point of beginning,
thence by notes and bearings N. 36°37'30" E., 39.81 ft. to Cor. No. 2, N. 33°07'20" E.,
199.30 ft. to Cor. No. 3 N. 53°52'22" E., 372.74 ft. to Cor. No. 4, S. 63°07'33" E.,
647.39 ft. to Cor. No. 5, S. 300 ft. to Cor. No. 6, N. 68°43'38" W., 242.13 ft. to
Cor. No. 7, N. 36°34'42" W., 108.14 ft. to Cor. No. 8, S. 28°38'15" W., 119.00 ft.
to Cor. No. 9, W. 95°21'42" W., 718.25 ft. to Cor. No. 10, S. 73°17' W., 0.00 ft. to
Cor. No. 1, the actual point of beginning. Containing 6.23 acres more or less. I
hereby assign for good and valuable consideration, all right, title and interest, and
subject to all rents, covenants and conditions, in said lease to assignee
Season Kay and George Co., Inc. mailing address of P.O. Box 599 SITKA, AK 99801
and assigns, for the unexpired term thereof, commencing on August 17, 1993, and
expiring on August 17, 2017.

IN WITNESS WHEREOF, the Assignor has hereunto set his hand and seal this 17th day
of FEBRUARY 1994.

George Co., Inc.
City and Borough of Sitka

STATE OF ALASKA

ASSIGNOR(S)

1st Judicial District

THIS IS TO CERTIFY that on this 17th day of Feb., 1994, before me,
personally appeared George Co., Inc. to me
and known to me (or proved to me on the basis of satisfactory evidence) to be the
person named in and who executed the foregoing instrument and acknowledged voluntarily
signing the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day
and year above written.

Thomas M. Hall
Notary Public in and for the State of Alaska
My Commission Expires 8/29/94

STATE BUSINESS NO CHARGE

10-117 Rev. 1/90

D-1

BOOK 114 PAGE 945

BOOK 111 PAGE 50

ADL No. 9483

The assignee(s) Seaton Tug and Barge Co., Inc. herein expressly assumes the obligation to pay any and all prior, or delinquent taxes, liens of any nature, penalties, interest, or any other obligations charged against the lands described herein above as of the date of this assignment.

Seaton Tug and Barge Co., Inc.

(ASSIGNEE(S))

STATE OF ALASKA

Judicial District

THIS IS TO CERTIFY that on this 17th day of February, 1994, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, as such, personally appeared GEORGE BACKUS known to me and to me known (or proved to me on the basis of satisfactory evidence) to be the president of Seaton Tug and Barge Co., Inc. the corporation which executed the foregoing instrument, and he acknowledged to me that he executed the same for and on behalf of said corporation, and that he is fully authorized by said corporation so to do; and that the corporate seal affixed to said instrument is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year above written.

Robert H. H. H.
Notary Public in and for the State of Alaska
My Commission Expires: 8/19/96

APPROVED:

John H. W. H.
Supervisor, Contract Administration
DIVISION OF LAND

Date

6-7-94

94-2811

cc	2:14	N/C
DATE	8-23	1994
TIME	2:49	PM
Reviewed by	AS/DHR	
Address		

RETURN TO:
STATE OF ALASKA
DEPT OF NATURAL RESOURCES
DIV OF LAND - CONTRACT ADMIN
P.O. BOX 107005
ANCHORAGE AK 99510-7005

D-2

⑤ pgs to Roslyn
@ 7-5370 fax

ATS 35
TONY KNOWLES, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

August 20, 1997

SOUTHEAST REGIONAL OFFICE
DIVISION OF LAND

400 WILLOUGHBY AVENUE, SUITE 400
JUNEAU, ALASKA 99801
PHONE: (907) 465-3400
FAX: (907) 586-2954

Samson Tug and Barge Co., Inc.
P.O. Box 559
Sitka, AK 99835

ADL 2483

Re.: Transfer of Tideland Lease ~~ADL 2483~~ to the City and Borough of Sitka


Dear Lessee:

This is to inform you that the above identified tideland lease has been transferred to the City and Borough of Sitka. This makes the City and Borough of Sitka your new landlord and all responsibilities and obligations for your lease are now due to the City and Borough of Sitka.

You will no longer receive a State courtesy billing notice and timeliness of payment will have to be observed by you. We thank you for your business with the State of Alaska and wish you a successful partnership with the new landowner.

Sincerely,

Andrew W. Pekovich,
Southeast Regional Manager

by: 
Elizaveta H.C. Shadura
Natural Resource Manager

cc: City and Borough of Sitka

E

JUN 114 PAGE 946



United States of America
State of Alaska

THIS IS TO CERTIFY that the foregoing is a true and correct copy of the document as it appears in the records and files of my office.

IN THE WITNESS WHEREOF, I have hereunto set my hand and have affixed my official seal at Sitka, Alaska, this 11th day of April, 1995.
District Recorder: [Signature]
By: [Signature]

95-695

cc	n/c
Sitka	REC. DISY.
DATE 4-17	1995
TIME 11:05	A.M.
Requested By AS/ONR	
Address	

F-1

**Samson Tug & Barge Co., Inc.
and
Delta Western, Inc.**

Ground Lease

February 15, 2013

GROUND LEASE

This Ground Lease is made and executed on February 15, 2013, by and between Samson Tug and Barge Co., Inc., an Alaska Corporation, whose address for all purposes herein is P.O. Box 559, Sitka, Alaska 99835 (Lessor) and Delta Western Inc. (a Washington Corporation registered to do business in Alaska), whose address for all purposes herein is 420 L Street, Ste. 101 Anchorage, AK 99501, (Lessee).

Whereas Lessee wishes to construct and operate a tank farm, truck rack, and fueling depot at the port in Sitka, Alaska; and

Whereas Lessor owns a parcel located at the Port ("Premises") which may be suitable for Lessee's needs; and

Whereas Lessee wishes to lease the Premises from Lessor, and Lessor wishes to lease the Premises to Lessee and to enter into such other agreements as are necessary for the operation of Lessee's tank farm and fueling depot; now, therefore, the Parties agree as follows:

SECTION ONE: DEMISE, DESCRIPTION, AND USE OF PREMISES

Lessor covenants that Lessor is seized of the demised Premises and has full right to make and enter into this Ground Lease and that the Lessee shall have quiet and peaceable possession of the Premises during the term of this Ground Lease.

Lessor leases to Lessee and Lessee leases from Lessor, for the purpose of conducting the business operations of bulk fuel storage and distribution, and general purposes as more fully described in Section Six below, and for no other purposes, the Premises situated at Lessor's port located near Sitka, Alaska, containing 30,000 square feet, and which are more particularly described in Exhibit A hereto. Subject to the contingencies set forth in Section 5, Lessee has inspected the Premises and accepts the same in its present condition.

SECTION TWO: TERM

The Initial Term of this Ground Lease shall be for thirty (30) years, commencing on March 1, 2013, and ending on April 30, 2042. As used in this Ground Lease, the expression "term of this lease agreement" refers to the Initial Term and to any renewal of this Ground Lease as provided below.

This Ground Lease and all rights and obligations hereunder are dependent upon the renewal and extension of a lease of adjacent tidelands where Lessor has established a port for its marine operations. The relevant tidelands lease is recorded at Book 114 Page 93, in the records of the Sitka Recording District, First Judicial District, State of Alaska. Lessor has acquired all of original lessee's right there under by assignment. This tidelands lease was for an initial fifty-five (55) year term to expire August 13, 2017. Lessor herein intends to obtain an extension of said tidelands lease as provided therein. In the event

Lessor is unable to obtain an extension of said tidelands lease, this Ground Lease shall terminate when the tidelands lease expires and Lessee herein shall perform all acts required herein on termination including restoration of the premises.

Notwithstanding the above, Lessee may elect to terminate this Ground Lease without penalty at any time during the Initial Tenancy by providing Lessor years/months advance notice of termination, if Lessee determines, in its sole discretion, that the operation of its business at the Premises no longer is economically advantageous. In the event of exercising such option, Lessee shall pay rent through the effective date of early termination and shall return the Premises to Lessor consistent with its redelivery obligations set forth herein.

SECTION THREE: OPTION TO RENEW

In addition to the Initial Term, Lessee is hereby granted the right to extend the Term of this Ground Lease for six (6) separate, consecutive and additional extension terms ("Extension Tenn(s)"); each for a period of five (years) years. Unless Lessee shall notify Lessor in writing, not less than one hundred eighty (180) days prior to the expiration of the Initial Tenn or any Extension Tenn then in effect, of its intention to terminate this Ground Lease effective as of the end of the Initial Tenn or Extension Term then in effect, Lessee shall be deemed to have exercised its option to renew this Ground Lease for the next ensuing Extension Tenn and Lessee shall not be required to give any notice of its intention to avail itself of such Extension Tenn. Such Extension Terms shall be on the same terms and conditions as set forth in this Ground Lease, except as to the amount of Rent and the length of term and number of extensions, and except that Tenant may terminate any Extension Term by giving Lessor one hundred eighty (180) days written notice.

SECTION FOUR: RENT

**STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

<input type="checkbox"/> Land Sales and Contract Administration 550 W 7th Ave., Suite 640 Anchorage, AK 99501-3576 (907) 269-8594	<input type="checkbox"/> Northern Region 3700 Airport Way Fairbanks, AK 99709 (907) 451-2740	<input type="checkbox"/> Southcentral Region 550 W 7th Ave., Suite 900C Anchorage, AK 99501-3577 (907) 269-8552	<input type="checkbox"/> Southeast Region 400 Willoughby, #400 P.O. Box 111020 Juneau, AK 99811-1021 (907) 465-3400
---	--	---	--

APPLICATION FOR PURCHASE OR LEASE OF STATE LAND

Date _____ ADL # (assigned by DNR) _____

Applicant's Name _____ Doing business as: _____

Mailing Address _____

City/State/Zip _____ E-Mail _____

Message Phone () _____ Work Phone () _____ Date of Birth _____

Is applicant a corporation qualified to do business in Alaska? ☐ yes ☐ no. Is the corporation in good standing with the State of Alaska, Dept. of Commerce and Economic Development? ☐ yes ☐ no.

Is applicant 18 years or older? ☐ yes ☐ no. Are you applying for a ☐ lease or ☐ sale?

What kind of lease or sale are you applying for? ☐ Tideland; ☐ Public/Charitable Use; ☐ Grazing; ☐ Millsite;
☐ Negotiated; ☐ Competitive; ☐ Non-Competitive; ☐ Preference Right.

If a lease, how many years are you applying for? _____ years. (55 years Max.)

Legal Description: Lot(s) _____ Block/Tract # _____ Survey/Subdivision _____

Other: _____

Meridian _____ Township _____, Range _____, Section(s) _____ Acres _____

Municipality _____ LORAN Reading (optional) _____

Geographic Location: _____

What is the proposed use of and activity on the state land? _____

Are there any improvements on the land now? ☐ yes ☐ no. If yes, who owns the improvements, and what is the estimated value? _____

If yes, describe any existing improvements on the land. _____

Are there any improvements or construction planned? ☐ yes ☐ no. If yes, describe them and their estimated value. _____

State the proposed construction date: _____; estimated completion date*: _____

Name and address of adjacent land owners and, if you are applying for tidelands, the name and address of the adjacent upland owners: _____

Are you currently in default on, or in violation of, any purchase contract, lease, permit or other authorization issued by the department under 11 AAC? ☐ yes ☐ no. Within the past three years, has the department foreclosed or terminated any purchase contract, lease, permit or other authorization issued to you? ☐ yes ☐ no.

Non-refundable filing fee: \$100
(Fee may be waived under 11 AAC 05.010(c))

Date Stamp: _____

Is the land applied for subject to any existing leases or permits? ☐ yes ☐ no. If yes, ☐ lease or ☐ permit?

Name lease/permit is issued under: _____ ADL # _____

Do you think you qualify for a non-competitive lease or sale? ☐ yes ☐ no. If yes, under what provision of AS 38.05?

- ☐ AS 38.05.035(b)(2) (to correct an error or omission);
- ☐ AS 38.05.035(b)(3) (owner of bona fide improvements);
- ☐ AS 38.05.035(b)(5) (occupied, or are the heir of someone who occupied the land before statehood);
- ☐ AS 38.05.035(b)(7) (adjacent owner of remnant of state land, not adjoining other state land);
- ☐ AS 38.05.068 and .087 (U.S. Forest Service Permittee);
- ☐ AS 38.05.075(c) (upland owner or lessee);
- ☐ AS 38.05.035(f) (previous federal and state authorization, erected a building and used the land for business purposes);
- ☐ AS 38.05.102 (current long-term lessee or current shore fishery lessee);
- ☐ AS 38.05.255 (millsite lease for mine-related facilities);
- ☐ AS 38.05.810(a)* (government agency; tax-exempt, non-profit organization organized to operate a cemetery, solid waste facility, or other public facility; or a subdivision's nonprofit, tax-exempt homeowners' association);
- ☐ AS 38.05.810(b)-(d) (non-profit corporation, association, club, or society operated for charitable, religious, scientific, or educational purposes, or for the promotion of social welfare, or a youth encampment);
- ☐ AS 38.05.810(e) (licensed public utility or licensed common carrier);
- ☐ AS 38.05.810(f) (non-profit cooperative organized under AS 10.25, or licensed public utility);
- ☐ AS 38.05.810(h) (Alaska Aerospace Development Corporation);
- ☐ AS 38.05.810(i) (port authority);
- ☐ AS 38.05.825 (municipality applying for eligible tidelands, or tidelands required for private development);
- ☐ other (please explain): _____

If you have checked one of the above statutes, attach a statement detailing your qualifications under each requirement of that statute.

Do you think you qualify to lease the land for less than fair market value? ☐ yes ☐ no. If yes, under what provision of AS 38.05?

- ☐ AS 38.05.097 (youth encampment or similar recreational purpose); ☐ other (please explain).
- ☐ AS 38.05.098 (senior citizen discount for a residential lease);

Signature _____

Date _____

If applying on behalf of an agency, municipality, or organization, state which one _____

Title _____

NOTICE TO APPLICANT:

* For applications filed by a municipality under AS 38.05.810, if there is a remaining entitlement of the municipality under AS 29.65, land transferred under AS 38.05.810 shall be credited toward fulfillment of the entitlement.

* Construction may not commence until approval is granted by lessor.

* This application will not be considered unless it is accompanied by the appropriate filing fee and completed in full. THE FILING FEE WILL NOT BE REFUNDED NOR IS IT TRANSFERABLE. All checks are to be made payable to the Department of Natural Resources.

* Include a 1:63,360 USGS map showing location of proposed activities in relation to survey monumentation or fixed geographical features which fully illustrates your intended use, including the location of buildings and improvements and access points, labeled with all dimensions, and a development plan providing a complete list of proposed activities.

* The applicant may be required to deposit a sum of money sufficient to cover the estimated cost of survey, appraisal, and advertising. If the land is sold or leased to another party, the deposit will be returned to the applicant.

* The filing of this application and payment of the filing fee vests the applicant with no right or priority in the lands applied for. It is merely an expression of the desire to purchase or lease a parcel of land when and if it becomes available. Filing an application serves the purpose of notifying the state that an individual is interested in purchasing or leasing land. It is not a claim, nor does it in any way obligate the state to sell or lease land.

* If the application site is in the Coastal Zone, include a Coastal Project Questionnaire (www.gov.state.ak.us/dgc/Projects/projects.html).

* If the application is for use in conjunction with a guide/outfitter operation, include proof of a guide/outfitter certification for the use area.

* If the application is for a commercial fish camp, include a copy of your limited entry permit or an interim-use salmon set net permit.

* If applying for a senior citizen discount, include form 102-1042.

* AS 38.05.035(a) authorizes the director to decide what information is needed to process an application for the sale or use of state land and resources. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.99.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.

G 7